

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form T-1  
March 2010  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR  
TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,  
MUST be submitted with this form.

Check Applicable Boxes:

- ☒ Oil Lease: No. of Oil Wells five \*\*  
☐ Gas Lease: No. of Gas Wells none \*\*  
☐ Gas Gathering System: none  
☐ Saltwater Disposal Well - Permit No.: none  
Spot Location: na feet from ☐ N / ☐ S Line  
na feet from ☐ E / ☐ W Line  
☐ Enhanced Recovery Project Permit No.: none  
Entire Project: ☐ Yes ☐ No  
Number of Injection Wells none \*\*

Field Name: Peru-Sedan

**\*\* Side Two Must Be Completed.**

Effective Date of Transfer: August 15, 2012

KS Dept of Revenue Lease No.: 113566

Lease Name: Evelyn Fuller

11 Sec. 2 Twp. 34 R. 10 ☒ E ☐ W

Legal Description of Lease: Northwest Quarter

County: Chautauqua

Production Zone(s): Wayside

Injection Zone(s): none

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Surface Pit Permit No.: none  
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☒ Drilling

Past Operator's License No. Oil & Gas Lease & Assignment attached

Past Operator's Name & Address: Leon & Nora Bane

1434 Junction Road Sedan, Kansas 67361

Title: land and mineral owners

Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

New Operator's License No. 33252

New Operator's Name & Address: Matador, Inc.

P. O. Box 337 Sedan, Kansas 67361

Title: President

Contact Person: Tim D. Nordell

Phone: 620-725-3366

Oil / Gas Purchaser: will be Pacer

Date: August 17, 2012

Signature: Tim D. Nordell

**Acknowledgment of Transfer:** The above request for transfer of injection authorization, surface pit permit # none has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

\_\_\_\_\_ is acknowledged as  
the new operator and may continue to inject fluids as authorized by  
Permit No.: \_\_\_\_\_ . Recommended action: \_\_\_\_\_

Date: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_ is acknowledged as  
the new operator of the above named lease containing the surface pit  
permitted by No.: \_\_\_\_\_ .

Date: \_\_\_\_\_  
Authorized Signature

DISTRICT \_\_\_\_\_ EPR 8/22/12 PRODUCTION 8-23-12 UIC 8-23-12  
Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

061512\_Evelyn\_Fuller.pdf



KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**CERTIFICATION OF COMPLIANCE WITH THE  
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1  
July 2010  
**Form Must Be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

*This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.*

Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 33252  
Name: Matador, Inc.  
Address 1: P. O. Box 337  
Address 2: \_\_\_\_\_  
City: Sedan State: KS Zip: 67361 + \_\_\_\_\_  
Contact Person: Tim D. Nordell, President  
Phone: ( 620 ) 725-3366 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: cody777@sbcglobal.net

Well Location:  
\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ NW Sec. 2 Twp. 34 S. R. 10 ☒ East ☐ West  
County: Chautauqua  
Lease Name: Evelyn Fuller Well #: all  
*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*  
**Northwest Quarter (NW4)**

**Surface Owner Information:**

Name: Leon and Nora Bane  
Address 1: 1434 Junction Road  
Address 2: \_\_\_\_\_  
City: Sedan State: Ks Zip: 67361 + \_\_\_\_\_

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.*

**Select one of the following:**

- ☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- ☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 8/17/12 Signature of Operator or Agent: Tim D. Nordell Title: President

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

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STATE OF KANSAS }  
Chautauqua County } ss \$8.00  
This instrument was filed for  
record this 17 day of April  
2012 at 10:30 o'clock AM and  
duly recorded in book 159  
of records on page 317

# ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS: That the undersigned,

MATADOR EXPLORATION, INC., a Colorado Corporation

hereinafter called Assignor, for and in consideration of Ten Dollars (\$10.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto

MATADOR, INC., a Nevada Corporation

hereinafter called Assignee, 100% working interest in and to the oil and gas lease dated April 7, 2012, from Leon Bane and Nora Bane, husband and wife, lessors, to Matador Exploration, Inc., lessee recorded in book 159 on page 285 insofar as said lease covers the following described land in Chautauqua County, State of Kansas:

Township 34 South, Range 10 East of the 6<sup>th</sup> P. M.  
Section 2: Northwest Quarter (NW4)

and containing 160 acres more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

The interest assigned herein is restricted from the surface of the earth to the top of the Mississippi Formation.

This assignment is given without warranty of title either express or implied.

EXECUTED, This 17th day of April, 2012

Matador Exploration, Inc.

*Tim D. Nordell*

Tim D. Nordell, President

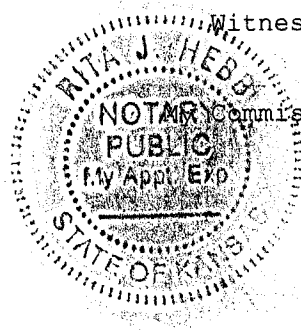
State of Kansas )  
( ss. ACKNOWLEDGMENT  
County of Chautauqua )

On this 17<sup>th</sup> day of April, 2012, before me personally appeared Tim D. Nordell, to me personally known, who, being by me duly sworn, did say that he is the President of Matador Exploration, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Tim D. Nordell acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 17th day of April, 2012

Commission expires: 4-12-2016

*Rita J. Hebb*  
Notary Public



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# OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 21<sup>st</sup> day of April, 2012  
between Leon Bane and Nora Bane, husband and wife  
JB Bane  
Sedan, Kansas 67361 hereinafter called Lessor,

and Matador Exploration, Inc., a Colorado Corporation PO Box 337 Sedan, Ks 67361 hereinafter called Lessee, does witness:

1. That Lessor, for and in consideration of the sum of Ten and more (+\$10.00) Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, with any reversionary rights therein, and with the right to utilize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care and other structures of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Chautauqua State of Kansas and described as follows:

Township 34 South, Range 10 East of the 6<sup>th</sup> P. M.  
Section 2: Northwest Quarter (NW/4)

containing 160 acres, more or less.

2. This lease shall remain in force for a term of One (1) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipe line to which Lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The Lessee shall pay to the Lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the Lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut-in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantees, this lease shall cover such reversion.

7. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the Lessor. When required by Lessor, the Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the Lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change of ownership in the land or royalties or any sum due under this lease shall be binding on the Lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to Lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of Lessor.

9. If the leased premises are now or shall hereafter be owned in severally or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within two hundred forty (240) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation or more than two hundred forty (240) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provisions of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the Lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the Lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If Lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessor and Lessee expressly agree, that Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases, in the immediate vicinity thereof, when in Lessee's judgment it is advisable to do so in order to properly develop the acreage covered by this lease with other lands by virtue of the development of directional or horizontal boreholes on such properties so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such combination to be in a unit or units not exceeding 640 acres in the event of either an oil or gas well. Lessee shall execute in writing and record in the records of the county in which the acreage herein leased is situated an instrument identifying the acreage that has been so combined or unitized. The entire acreage so combined into a unit shall be treated for all purposes as if such lands were included in this lease. If production is found on the unitized acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. Lessor shall receive on production from a unit so formed only such portion of the royalty stipulated herein as the amount of his or her acreage placed in the unit for his or her royalty interest therein on an acreage basis bears to the total acreage in the unit.

15. Lessor and Lessee expressly agree, notwithstanding any other provisions of this lease, that during any period, whether before or after the primary term hereof, if a well on the unitized acreage is shut-in and dewatering operations are being conducted, this lease and the unitized acreage including this lease shall be perpetuated by payment of shut-in royalties as previously specified herein. If such payment or tender of payment is made by Lessee it will be deemed that oil and/or gas is being produced within the meaning of the lease upon the unitized acreage.

16. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said Lessor and Lessee.

SEE "EXHIBIT A" attached hereto and made a part hereof.

IN WITNESS WHEREOF, we sign the day and year first above written.

Leon Bane  
Leon Bane

Nora Bane  
Nora Bane

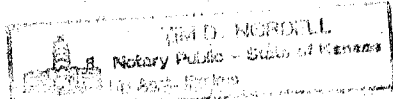
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STATE OF Kansas  
COUNTY OF Chautauqua } ss.

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,  
Nebraska, North Dakota, South Dakota  
ACKNOWLEDGMENT — INDIVIDUAL

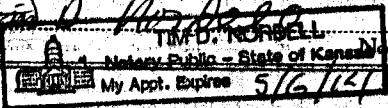
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 7th  
day of April, 2012, personally appeared Leon Bane

and Nora Bane



to me known to be the identical person Leon Bane, described in and who executed  
the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free  
and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.  
My Commission Expires 5/16/14



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ } ss.

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,  
Nebraska, North Dakota, South Dakota  
ACKNOWLEDGMENT — INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_

and \_\_\_\_\_  
to me known to be the identical person \_\_\_\_\_, described in and who executed  
the within and foregoing instrument of writing and acknowledged to me that \_\_\_\_\_ duly executed the same as \_\_\_\_\_ free  
and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.  
My Commission Expires \_\_\_\_\_

Notary Public.

State of \_\_\_\_\_  
County of \_\_\_\_\_ } ss.

ACKNOWLEDGMENT (For use by Corporation)

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_, to me personally known, who, being by  
me duly sworn, did say that he is the \_\_\_\_\_ of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corpora-  
tion and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said  
\_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19\_\_\_\_.

(SEAL)

Notary Public.

My Commission expires \_\_\_\_\_

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AUG 20 2012

KCC WICHITA

No. _____	FROM	STATE OF KANSAS } Chautauqua County } ss \$16.00 This instrument was filed for record this <u>16</u> day of <u>April</u> <u>2012</u> at <u>10:00</u> o'clock AM and duly recorded in book <u>159</u> of records on page <u>285</u> Dated _____, 19____ No. A. <u>Anna C. Boon</u> REGISTER OF DEEDS <u>Melody Redingery</u> Deputy Term _____	This instrument was filed for record on the day of _____, 19____ at _____ o'clock _____ M., and duly recorded in Volume _____ Page _____ _____ of the records of this office.	County Clerk By _____ Deputy When recorded return to _____
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