### 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:	mittea with this form.
Oil Lease: No. of Oil Wells**	Effective Date of Transfer:
Gas Lease: No. of Gas Wells**	KS Dept of Revenue Lease No.: 2/8/63
Gas Gathering System:	Lease Name: E E Yust
Saltwater Disposal Well - Permit No.:	<u>SESESW_Sec20Twp23SR10</u> EW
Spot Location: 4950 feet from ✓ N / S Line	i i
2310 feet from E / 🗸 W Line	Legal Description of Lease: E/2 SW/4
Enhanced Recovery Project Permit No.:	_
Entire Project: Yes No	County: Reno
Number of Injection Wells**	Production Zone(s): Viola
Field Name: Zenith Peace Creek	Injection Zone(s):
** Side Two Must Be Completed.	Injection Zone(s):
Surface Pit Permit No.:	feet from N / S Line of Section
(API No. if Drill Pit, WO or Haul)	feet from E / W Line of Section
Type of Pit: Ernergency Burn Settling	Haul-Off Workover OF Drilling
Type of the Canada Cana	PECEN CO.
Past Operator's License No.	Contact Person: RECEIVED
Past Operator's Name & Address:	Phone:
	Date: NEW LEASE
Title:	"GER AMBACHED" NCC WICHITA
New Operator's License No. 31958 /	Contact Person: David C. Hesse
New Operator's Name & Address: Hesse Petroleum Company, LLC	Phone: 316 685-4746
400 N. Woodlawn, Suite 7	Oil / Gas Purchaser: West Wichita Gas Gathering
Wichita, KS 67208-4333	Date: October 30, 2012
Title: Partner	Signature:
Acknowledgment of Transfer: The above request for transfer of inject	tion authorization, surface pit permit #has been
	tion Commission. This acknowledgment of transfer pertains to Kansas Corporation
Commission records only and does not convey any ownership interest in	
is acknowledged a	as is acknowledged as
the new operator and may continue to inject fluids as authorized t	by the new operator of the above named lease containing the surface pit
Permit No.: Recommended action:	
Date:	 Date:
Authorized Signature	Authorized Signature
DISTRICT EPR ///06/12	PRODUCTION
Mail to: Past Operator/ New Op	perator District

#### Side Two

#### Must Be Filed For All Wells

KDOR Lease	No.: 2/8/63	<b>19</b>			
Lease Name:	E E Yust		* Location:		
Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
1	15-155-21187/	4950 FSL FNL	2310 Circle	GAS	Temp Abandoned
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
			FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
	T.	FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
			FEL/FWL		
		FSL/FNL	FEL/FWL		
			FEL/FWL		
			FEL/FWL		
<u> </u>			FEL/FWL		
		FSL/FNL	FEL/FWL		
			FEL/FWL		RECEIVED
			FEL/FWL		NOV 0 1 2012
		FSL/FNL			
		FSL/FNL	FEL/FWL		- KCC WICHITA

A separate sheet may be attached if necessary

<sup>\*</sup> When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

### Kansas Corporation Commission Oil & Gas Conservation Division

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

## CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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 (C	Cathodic Protection Borehole Intent) X T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License # 31958	Well Location:
Name: Hesse Petroleum Company, LLC	SE_SE_SW_Sec. 20 Twp. 23 S. R. 10 East x West
Address 1: 400 N. Woodlawn	County RENO
Address 2: Suite 7	Lease Name: E E YUST Well #: 1
City Wichita State KS 7in: 67208 + 4 3 3 3	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Contact Person: 216 685-4746 316 685-4749	
Contact Person: David C. Hesse  Phone: ( 316 ) 685-4746 Fax: ( 316 ) 685-4749  Email Address: dave@hessepetro.com	
Surface Owner Information:  Name: John H. Yust  Address 1: 256 Goodrich Ave.  Address 2:	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.
the KCC with a plat showing the predicted locations of lease roads, tan	odic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
owner(s) of the land upon which the subject well is or will be	Act (House Bill 2032), I have provided the following to the surface located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address.
I have not provided this information to the surface owner(s). It is KCC will be required to send this information to the surface of task, I acknowledge that I am being charged a \$30.00 handling	acknowledge that, because I have not provided this information, the wner(s). To mitigate the additional cost of the KCC performing this g fee, payable to the KCC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 handling torm and the associated Form C-1, Form CB-1, Form T-1, or Form CP	g fee with this form. If the fee is not received with this form, the KSONA-1 -1 will be returned.
I hereby certify that the statements made herein are true and correct to	
Date: October 30, 2012 Signature of Operator or Agent:	Partner RECEIVED
	•

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

NOV 0 1 2012 KCC WICHITA

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

## CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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31058	Well Location:
OPERATOR: License # 31958  Hassa Petroleum Company 11 C	SE_SE_SW Sec. 20 Twp. 23 S. R. 10 East X West
Name: Hesse Petroleum Company, LLC  Address 1: 400 N. Woodlawn  Address 2: Suite 7	, RENO
Address 1: Suite 7	Lease Name: E E YUST Well #: 1
Address 2:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Contact Person:316685-4749316685-4749	
Phone: ( 310 ) 000-77-70 Fax: ( 310 ) 310 Adva@hessenetro.com	
Email Address: dave@nessepenc.com	
Surface Owner Information:	
Name Jane, Yust	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
Address 1: 2040 Lake Ave.	<ul> <li>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.</li> </ul>
Address 2:	County, and in the real estate property tax records of the county treasurer.
14/ilmatta    60091	
City: Wilmette State: IL Zip: 60091  If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cather MCC) with a plat showing the predicted locations of lease made to	hodic Protection Borehole Intent), you must supply the surface owners and
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Catt the KCC with a plat showing the predicted locations of lease roads, ta are preliminary non-binding estimates. The locations may be entered Select one of the following:	hodic Protection Borehole Intent), you must supply the surface owners and ank batteries, pipelines, and electrical lines. The locations shown on the plat if on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.  B. Act (House Bill 2032), I have provided the following to the surface be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form mobeing filed is a Form C-1 or Form CB-1, the plat(s) required by this
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

KCC WICHITA

NOV 0 1 2012

### Kansas Corporation Commission Oil & Gas Conservation Division

Form KSONA-1
July 2010
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KCC WICHITA

## CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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	Well Location:
DPERATOR: License # 31958  Name: Hesse Petroleum Company, LLC	SE_SE_SW_Sec. 20 Twp. 23 S. R. 10East X West
Address 1: 400 N. Woodlawn	County: RENO
Address 2: Suite 7	Lease Name: E E YUST Well #: 1
Sity: Wichita State: KS Zip: 67208 + 4 3 3 3	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person: David C. Hesse	the lease below:
Contact Person: David C. Hesse Phone: ( 316 ) 685-4746 Fax: ( 316 ) 685-4749	
mail Address: dave@hessepetro.com	
Surface Owner Information:	
Name: David Yust	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1: 1301 Patton St.	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
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: Ft. Collins State: CO Zip: 80524 +	
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

PRODUCERS 88-PAID UP Rev. 5-60, No. 2 — Rocky Mins.

### OIL AND GAS LEASE

AGREEMENT, Made	and entered into the	ne 1	st	day (	of	August	-	X	X 2004, by and between
John I	I. Yust, J	ane Yus	t, David	l Yust				*.	4. 19 M
							hereinafter	called Less	or (whether one or more) and
Hesse	Petroleum	Compan	y, LLC		:			and the special in the second	, hereinafter called Lessee:
WITNESSETH, Tha	t the Lessor, for and in	consideration of				en or			DOLLARS
demise, lease and let exc and producing therefrom all substances produced i	lusively unto the said I oil and all gas of what n association therewith, erection of structures th	Lessee, the land he soever nature or k , and the exclusive hereon to produce,	ereinafter described and (including, but right of injecting v save and take care	not limited to, h water, brine and of said products,	ive right for clium, carbo other fluids and substan	r the purpose on dioxide, n and substance ces and the ir	of exploring, trogen, and g es into the sub	prospecting, as producible osurface strata	a, and by these presents does grant, drilling, mining, and operating for from coal-bearing formations) and with rights of way and easements other substances into the subsurface
	RENO			, s	ate of		K	ANSAS	RECEIVED
described as follows, to-	wit:								
L.	TOWNSHIP	23 SOUT	H, RANGE	10 WES	T OF	THE 6	th PM		NOV 0 1 2012
	Section 2	0: E/2	SW/4						KCC WICHITA
and containing	80-00	acres more or	less in addition to	the land above de	scribed les	sor hereby o	rants, leases a	nd lets exclus	ively unto lessee to the same extent

and containing 80.00 acres, more or less, in addition to the land above described, lessor hereby grants, leases and lets exclusively unto lessee to the same extent as if specifically described herein all lands owned or claimed by lessor which are adjacent, contiguous to or form a part of the lands above particularly described, including all oil, gas and all substances produced in association therewith underlying lakes, rivers, streams, roads easements and rights-of-way which traverse or adjoin any of said lands.

- 1. It is agreed that this lease shall remain in force for a term of One (1) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall clapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within ninety (90) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expirations of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.
- 2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

- 1st. The Lessee shall deliver to the credit of Lessor as royalty, free of cost in the pipeline to which Lessee may connect its wells, the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises or at Lessee's option, Lessee may buy or sell such one-eighth (1/8th) royalty and pay Lessor the market price for oil of like grade and gravity prevailing in the field on the day such oil is run into pipelines or into storage tanks.
- 2nd. To pay Lessor one-eighth (1/8th) of the net proceeds at the well from the proceeds received for gas sold from each well where gas only is found, or the market value at the well of such gas used off the premises.
- 3rd. To pay Lessor one-eighth (1/8th) of the market value at the well for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas.
- 4th. To pay Lessor one-eighth (1/8th) of the proceeds received from the sale of any substance covered by this lease, other than oil and gas and the products thereof, which Lessee may elect to produce, save, and market from the leased premises.
- 4. If a well capable of producing oil or gas is located on said land and is shut-in before production commences, or at any time thereafter, this lease shall continue in effect from the date such well is shut-in until the anniversary date (herein called "said anniversary date") of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut-in. Lessee may hereinafter pay or tender to Lessor as royalty on or before said anniversary date, an amount of \$100.00 per well per year, and if such payment or tender is made, such well shall continue this lease in effect for a further period of one year from said anniversary date, and in like manner and upon like payments or tenders annually made on or before the anniversary date hereof, this lease shall continue in effect for successive periods of twelve (12) months each. Notwithstanding any other provision to the contrary, this lease shall not terminate because of a failure to properly or timely make a shut-in well payment unless Lessor shall have given Lessee written notice of such failure to properly or timely make such shut-in well payment and Lessee shall have failed for a period of thirty (30) days after receipt of such notice to tender such payment in the proper amount together with a late or improper payment penalty of \$100.00.
- 5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
  - 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe line below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

41. Any well or wells on the lease premises drilled or used for the injection of salt water or other fluids may also be used for lessee's operation on other lands in the same area, the right of the sum of one Hundred Dollars (\$100.00) per year.

12. The rights of Lessee and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee

12. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessee ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

13. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land

- described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation and provisions of this lease shall be deemed modified to conform to the terms, conditions, and pro
- express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

  14. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

  15. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any
- nortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

ounty

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STATE OF COUNTY
O alla l'article
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this
day of OCTIDEY 19 1004 personally appeared David EUUSt  NEW F MIST - 510-36-28/3
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 thatduly executed the same asfree 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 S-10-08 Notary Public.
Address: PO. BOX 528 FORT Collas
Address:
MY COMMISSION EXPIRES MAY 10, 2008

STATE OF KANSAS } 53
RENO COUNTY

This instrument was filed for record on the day of LOV A.D. 20 at Cook A.D. 20 o'clock A.D. and duly recorded in Book 37 Jon Page 63/

REGISTER OF DEEDS

and Open