

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 _____ **
- ☒ Gas Lease: No. of Gas Wells 1 **
- ☐ Gas Gathering System: _____
- ☐ Saltwater Disposal Well - Permit No.: _____
- Spot Location: 635 feet from ☐ N / ☒ S Line
- 1245 feet from ☒ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: Plevna

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

Effective Date of Transfer: 10/30/1997

KS Dept of Revenue Lease No.: ~~133799~~ 223370 *NE*

Lease Name: DILLON

_____ SW _____ SE _____ Sec. 27 Twp. 24S R. 9 ☐ E ☒ W

Legal Description of Lease: SE/4

County: RENO

Production Zone(s): MISSISSIPPI

Injection Zone(s): _____

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11097_Dillon.pdf

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

☐ Haul-Off ☐ Workover *DR* ☐ Drilling

Past Operator's License No. 4250 Exp. 3/30/97

Past Operator's Name & Address: Hesse Petroleum Company

400 N. Woodlawn, Suite 7 Wichita, KS 67208-4333

Title: Partner

Contact Person: David C. Hesse

Phone: 316 685-4746

Date: October 30, 2012

Signature: *[Signature]*

New Operator's License No. 31958 /

New Operator's Name & Address: Hesse Petroleum Company, LLC

400 N. Woodlawn, Suite 7 Wichita, KS 67208-4333

Title: Partner

Contact Person: David C. Hesse

Phone: 316 685-4746

Oil / Gas Purchaser: Sunoco/West Wichita Gas Gathering

Date: October 30, 2012

Signature: *[Signature]*

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ 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 11/06/12 PRODUCTION 11.07.12 UIC 11-7-12
Mail to: Past Operator _____ New Operator _____ District _____

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

✓

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DILLON

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* 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

**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 # 31958
Name: Hesse Petroleum Company, LLC
Address 1: 400 N. Woodlawn
Address 2: Suite 7
City: Wichita State: KS Zip: 67208 + 4 3 3 3
Contact Person: David C. Hesse
Phone: (316) 685-4746 Fax: (316) 685-4749
Email Address: dave@hessepetro.com

Well Location:
SW SE SE Sec. 27 Twp. 24 S. R. 9 ☐ East ☒ West
County: RENO
Lease Name: Dillon Well #: 1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Steven R. Dillon
Address 1: 1 Compound Drive
Address 2: _____
City: Hutchinson State: KS Zip: 67502 + _____

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: October 30, 2012 Signature of Operator or Agent: [Signature] Title: Partner

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AD ASTRA PER ASPERA
Kansas
Corporation Commission

Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Thomas E. Wright, Commissioner
Shari Feist Albrecht, Commissioner

Sam Brownback, Governor

October 25, 2012

Hesse Petroleum Co., L.L.C.
400 N WOODLAWN STE 7
WICHITA, KS 67208-4333

OCT 26 2012

RE: Transfer of Operations at the DILLON lease, located in Section 27, Township 24S, Range 9W, RENO County, Kansas

Dear Operator:

On October 14, 2011, an operator well inventory was received, which indicated to Staff that you are the current operator of the DILLON lease. However, Conservation Division records indicate that Hesse Petroleum Company has not filed a Request for Change of Operator, Transfer of Injection or Surface Pit Permit (Conservation Division Form "T-1") transferring to you operator responsibility for the DILLON lease. Therefore, Hesse Petroleum Company remains the Commission's operator of record and party responsible for the proper care and control of the DILLON lease.

Conservation Division Staff understands that the burden of transferring operator responsibility first falls upon the transferring operator. However, in instances in which the transferring operator is no longer a licensed operator, or Staff is unable to determine the last operator of the subject lease, the burden of verifying operator responsibility falls upon the current operator of such lease. Staff is therefore requesting that you verify whether or not you are the current operator of the DILLON lease.

The proper way to notify the Conservation Division that you are the current operator of the DILLON lease is to file a Request for Change of Operator, Transfer of Injection or Surface Pit Permit (Conservation Division Form "T-1"). Staff will provide you with 28 days from this letter's date to provide a T-1 for the DILLON lease. As such, you have until November 22, 2012, to file a T-1 for the DILLON lease. A blank T-1 is enclosed with this letter. The T-1 is also available on the Conservation Division's website, at <http://kcc.ks.gov/conservation/forms/index.htm>, or upon request in the Conservation Division's central office in Wichita or any of the Conservation Division's district offices. If the past operator of the subject lease is unknown, or the past operator no longer has an active license, Staff is willing to accept other documentation in lieu of the past operator's signature on the T-1 form. Staff needs the T-1 signed by or on behalf of Hesse Petroleum Co., L.L.C., as well as a copy of the bill or contract of sale under which you purchased the DILLON lease, a copy of the agreement under which you are operating the lease, a copy of the assignment of the lease to you, or a copy of the new lease under which you are operating.

If you do not believe you are the operator of the DILLON lease, you need to contact Jonelle Rains, the Conservation Division's Supervisor of Environmental Protection and Remediation, immediately to address the situation. Jonelle Rains may be reached at the Conservation Division's central office in Wichita, at the contact information listed below.

If by November 22, 2012, Commission Staff has not received the required information, or you have not contacted Jonelle Rains and resolved this situation, Staff may refer this matter to Conservation Division legal staff with a recommendation for an administrative penalty or penalties. Under K.A.R. 82-3-128, the failure to verify information requested by the Commission is punishable by a \$100 penalty. In addition, Staff may ask the Commission to shut in your current operations until compliance is achieved.

Please contact the Conservation Division immediately, or provide the requested information within 28 days of this letter's date, to remedy the above possible violation(s) and avoid further compliance action by the Commission. Please include a copy of this letter with the completed T-1 form upon filing with the Conservation Division.

KCC Conservation Division Staff

cc: Hesse, Paul
Hesse Petroleum Company
400 N. WOODLAWN, STE 7
WICHITA, KS 67208

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CONSERVATION DIVISION
Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax (316) 337-6211 • <http://kcc.ks.gov/>