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NOV 20, 2012

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

KCC WICHITA

REQUEST FOR CHANGE OF OPERATOR  
TRANSFER OF INJECTION OR SURFACE PIT PERMITForm 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: \_\_\_\_\_ feet from ☐ N / ☐ S Line  
\_\_\_\_\_ feet from ☐ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: \_\_\_\_\_
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells \_\_\_\_\_ \*\*

Field Name: Coffeyville - Cherryvale**\*\* Side Two Must Be Completed.**Effective Date of Transfer: 3-1-12KS Dept of Revenue Lease No.: 233288Lease Name: Johnny GraybillNE Sec. 3 Twp. 34S R. 17 ☒ E ☐ WLegal Description of Lease: NE/4 Sec 3-34S-17ECounty: MontgomeryProduction Zone(s): Weir Coal

Injection Zone(s): \_\_\_\_\_

Surface Pit Permit No.: 15-125-29500

(API No. if Drill Pit, WO or Haul)

Type of Pit: c/s 3/17/92☐ Emergency☐ Burn☐ Settling☐ Haul-Off☐ Workover☒ Drilling OR330 feet from ☒ N / ☐ S Line of Section330 feet from ☒ E / ☐ W Line of Section

Past Operator's License No. \_\_\_\_\_

30S33 Exp. 10/30/92Contact Person: UnknownPast Operator's Name & Address: Shamrock Bay Operating CompanyPhone: no longer in businessUnknown, lease expired & went back to surface owners

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

Title: PO Box 964 Independence KS 67301Signature: Assignment, oil & gas lease AttachedNew Operator's License No. 32887Contact Person: Joe DriskillNew Operator's Name & Address: Endeavor Energy Resources, LPPhone: 918-467-311110 South Elm St, PO Box 40, Delaware, OK 74027Oil / Gas Purchaser: Seminole Energy ServicesDate: 11-9-12Title: Operations managerSignature: Joe Driskill

**Acknowledgment of Transfer:** The above request for transfer of injection authorization, surface pit permit # 15-125-29500 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 11/29/12 PRODUCTION 12.03.12 UIC 12-3-12  
Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

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

030112\_Johnny\_Graybill.pdf

**Must Be Filed For All Wells**

NOV 20 2012

**KCC WICHITA**

\* Lease Name: Johnny Graybill

\* Location: **Sec 3-34S-17E**

[illegible]

\* 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 # 32887  
Name: Endeavor Energy Resources, LP  
Address 1: PO Box 40  
Address 2: \_\_\_\_\_  
City: Delaware State: OK Zip: 74027 + \_\_\_\_\_  
Contact Person: Joe Driskill  
Phone: ( 918 ) 467-3111 Fax: ( 918 ) 467-3113  
Email Address: okgasoffice@yahoo.com

Well Location:  
\_\_\_\_\_NW\_\_\_\_\_NW\_\_\_\_\_NE Sec. 3 Twp. 34 S. R. 17 ☒ East ☐ West  
County: Montgomery  
Lease Name: Johnny Graybill Well #: 3-4

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

**Surface Owner Information:**

Name: Johnny Graybill and Linda Graybill  
Address 1: 2871 County Road 5900  
Address 2: \_\_\_\_\_  
City: Coffeyville State: KS Zip: 67337 + \_\_\_\_\_

*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: 11-16-12 Signature of Operator or Agent: Joe Driskill Title: Operations Manager

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

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**NOV 20 2012**  
**KCC WICHITA**

ASSIGNMENT & GENERAL RELEASE

THAT, Johnnie Graybill and Linda Graybill (hereinafter referred to as "Surface Owner"), whose address is 2871 County Road 5900, Coffeyville, KS 67337, hereby acknowledges the receipt of the sum of One thousand five hundred dollars (\$1,500.00) in cash paid by ENDEAVOR ENERGY RESOURCES, L.P. (hereinafter referred to as "Endeavor") for full compensation for the assignment of the following described well, associated equipment, and any and all surface use directly related to completing (or plugging and abandoning), equipping, operating and producing the following described well:

Graybill #3-4 well, located on lands covered by that certain Oil and Gas Lease dated February 8, 2005, by and between Johnnie Graybill and Linda Graybill, as Lessor, and Endeavor Energy Resources, L.P. as Lessee and recorded in Book 547, Page 147 of the records of Montgomery County, State of Kansas, such lease covering lands in NE/4 of Section 3, Township 34 South, Range 17 East, all in Montgomery County, Oklahoma, among other lands,

including, but not limited to ingress and egress, caliche, water used for drilling, the location pad, drilling pits, tank battery pad, roads, electric lines and pipelines used in connection with such well. Further, Surface Owner does hereby release and discharge Endeavor, its successors in interest, heirs, legal representatives, assignees, agents, contractors, servants and employees, from all actions, causes of action, claims and demands for damages or injuries growing out of, or in connection with Endeavor's reasonable use of the surface estate in operating the above described well and pipeline. However, Endeavor agrees to restore the surface estate, as near as practical, to its original condition upon completion of operations on the above described property as part of the consideration for this assignment and release.

EXECUTED this 20 day of April, 2012.

Johnnie Graybill  
Johnnie Graybill

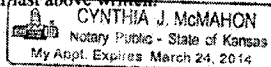
Linda Graybill  
Linda Graybill

Individual Acknowledgment

STATE OF KANSAS §  
Labette §  
COUNTY OF MONTGOMERY §

Before me, the undersigned, a Notary Public, in and for said County and State, on this 20<sup>th</sup> day of April, 2012, personally appeared Johnnie Graybill and Linda Graybill to me known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year last above written.



Cynthia J. McMahon  
Notary Public

LEASE \$6.00  
ADDITIONAL PAGES \$4.00  
TECHNOLOGY FUND \$6.00

Form 88-390 - (Prod. Pooling)(Oklahoma)(640 Shut-In) (Paid-up)(Revised 1963) SD NFG BI Royalty  
Copyright© by BURKHART'S Legal Forms (Since 1908) - Tulsa, OK

Mailing Address 110 N. Marienfeld, Suite 200, Midland, TX 79701

BOOK: 547 PAGE: 147

## OIL AND GAS LEASE

(PAID UP)

AGREEMENT, Made and entered into this 8 day of February, 2005

by and between Johnnie Graybill and Linda Graybill, husband and wife,

2871 County Road 5900

Coffeyville, Kansas 67337

and Endeavor Energy Resources, L.P. party of the first part, hereinafter called lessor (whether one or more),

part Y of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of ten and more DOLLARS, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casing-head gas and helium and all other constituents), and for laying pipe lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Montgomery State of Kansas, described as follows, to-wit:

The Northeast Quarter (NE/4)

of Section 3, Township 34 South, Range 17 East, and containing 160 acres, more or less.

It is agreed that this lease shall remain in force for a term of three (3) years from date (herein called primary term) and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its wells, the 3/16 part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, 3/16 of the gross proceeds received for the gas sold, used off the premises,

or in the manufacture of products therefrom, but in no event more than 3/16 of the actual amount received by the lessee, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas, 3/16 of the gross proceeds, at the mouth of the well, received by lessee for the gas during the time such gas shall be used, said payments to be made monthly.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres, provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

If 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 shall be paid to the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

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

Lessee shall pay for all damages caused by its operations to growing crops on said land.

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.

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 their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and 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 such failure is the result of any such Law, Order, Rule or Regulation.

This lease shall be effective as to each lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release of record in the proper County.

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 mortgages, 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.

See attached "ADDENDUM" for additional lease provisions.

IN TESTIMONY WHEREOF, we sign this the 8th day of

February, 2005

Johnnie Graybill

Linda Graybill

Linda Graybill

Lessor

## ADDENDUM

Attached to that certain Oil and Gas Lease dated February 8, 2005 by and between Johnnie Graybill and Linda Graybill, husband and wife, Lessor and Endeavor Energy Resources, L.P., Lessee.

### Coal Seam Gas:

Notwithstanding anything to the contrary contained herein, it is understood and agreed to and by all parties, that the granting clause contained herein be modified to include the following sentences:

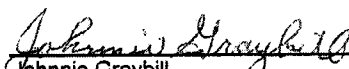
The definition of the word "gas" as used herein shall also include gas found in and produced from coal formations or coal seams, and/or all zones and communications therewith from the wellbore of any well drilled on the lands or lands properly pooled or unitized therewith, and which gas is sometimes referred to as "coalbed methane," "coalseam gas," "occluded gas," or "gob gas," and all hydrocarbons and other constituents, and all other minerals contained therein, or produced in association therewith.

Lessor specifically grants to Lessee as much of the subsurface coal seam or deposit as is reasonably necessary to drill and produce gas as defined herein under the leased premises. In addition, it is understood and agreed that in order to maintain maximum recovery of gas from leased premises, Lessee is granted the right to fracture or otherwise stimulate any coal seam(s) or deposit or any other subsurface formation(s) under the leased premises, and the right to run and set production casing through any coal seam(s) or deposits(s) or any other subsurface formation(s). Lessee shall be specifically relieved of any and all damages to any coal seam or any other subsurface formation by the Lessee's operation hereunder, and Lessor hereby forever releases and discharges Lessee, and its successors and assigns, from such damages, including any diminution of the value of such coal seams or deposits.

Any coal mining lease or other mineral lease, whether it be for surface mining or underground operations, executed subsequent to this Lease, shall be expressly subject to the rights of the Lessee under the terms and conditions of this Lease. It is expressly understood and agreed that this Lease does not authorize or otherwise permit open pit or strip mining of coal, iron, sand or gravel.

### Surface and Operational Provisions:

Lessee agrees and obligates itself to conduct its operations upon the leased premises as a reasonable and prudent operator and in such a way as to cause a minimum of damage to the land and improvements thereon, including fences; and that should it become necessary to make any opening in the fences, Lessee will properly brace the fence on each side of the opening to prevent slackening of the wires and shall place substantial metal gates in such openings. Said gates shall be installed before drilling operations commence and said gates shall remain on said property unless otherwise directed by Lessor. Lessee agrees, weather permitting, to repair the damaged land to the fullest practical extent, including the filling and leveling of all holes, pits, ruts, roads or excavations in the areas no longer to be used by Lessee; and upon termination hereof, to fully repair all damaged land not already repaired to the end that the land will be rendered to substantially the same condition as it was prior to commencement of such operations. Lessee shall pay for all actual injury or damage done or caused by Lessee in its operations hereunder to any buildings, fences, roads, roadway easements, culverts, merchantable timber, growing crops or other improvements on said land or to livestock on said land which is not replaced or repaired by Lessee according to the terms of this Lease.

  
Johnnie Graybill

  
Linda Graybill