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KCC WICHITA

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 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: Ratzlaff**\*\* Side Two Must Be Completed.**Effective Date of Transfer: 6/16/2010KS Dept of Revenue Lease No.: 209123 114452 DRLease Name: Scully G #1C S/2 - NW - SW Sec. 18 Twp. 19S R. 2 ☒ E ☐ W

Legal Description of Lease: \_\_\_\_\_

N/2 Section 18-T19S-R2ECounty: MarionProduction Zone(s): Mississippian

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

Surface Pit Permit No.: \_\_\_\_\_  
(API No. if Drill Pit, WO or Haul)\_\_\_\_\_ feet from ☐ N / ☐ S Line of Section\_\_\_\_\_ feet from ☐ E / ☐ W Line of SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover OR ☐ DrillingPast Operator's License No. 5399 ✓Past Operator's Name & Address: American Energies Corporation155 North Market, Suite 710, Wichita, KS 67202Title: PresidentContact Person: Alan L. DeGoodPhone: 316-263-5785Date: 3/26/12Signature: Alan L. DeGoodNew Operator's License No. 33322 ✓New Operator's Name & Address: Kelley Edgar Oil and Gas Operations, LLCP.O. Box 444, Wellington, KS 67152Title: OwnerContact Person: Kelley EdgarPhone: 316-461-8107

Oil / Gas Purchaser: \_\_\_\_\_

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

Signature: Kelley Edgar

**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 11/19/12PRODUCTION 11/20/12UIC 11/20/12

Mail to: Past Operator \_\_\_\_\_

New Operator \_\_\_\_\_

District \_\_\_\_\_

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

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**Must Be Filed For All Wells**

KDOR Lease No.: 209123  
114452 J A R

\* Lease Name: Scully G #1

\* Location: C S/2 NW SW Section 18-T19S-R2E, Marion County, Kansas

[illegible]

*A separate sheet may be attached if necessary*

\* 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 # 33322  
Name: Kelley Edgar Oil and Gas Operations, LLC  
Address 1: P.O. Box 444  
Address 2: \_\_\_\_\_  
City: Wellington State: KS Zip: 67152 + \_\_\_\_\_  
Contact Person: Kelley Edgar  
Phone: ( 316 ) 461-8107 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
C S/2 NW SW Sec. 18 Twp. 19 S. R. 2 ☒ East ☐ West  
County: Marion  
Lease Name: Scully G 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: Scully Partners  
Address 1: P.O. Box 68  
Address 2: \_\_\_\_\_  
City: Hillsboro State: KS Zip: 67063 + \_\_\_\_\_

*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.*

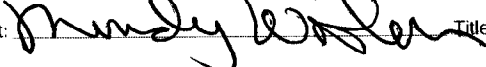
*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary 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: 3/26/2012 Signature of Operator or Agent:  Title: Production Manager, American Energies Corp.

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

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## CLOSING STATEMENT

### SALE OF WORKING INTEREST

Kelley Edgar Oil & Gas Operations, LLC  
See Exhibit "A" for Lease Description and Working Interest  
Marion County, Kansas

June 15, 2010

INTEREST SOLD BY: **AMERICAN ENERGIES CORPORATION**

INTEREST PURCHASED BY: **Kelley Edgar Oil & Gas Operations, LLC**

WORKING INTEREST: **100%**

EFFECTIVE DATE OF SALE: **June, 1, 2010 @ 7:00 a.m.**

Scully G Lease \$3,000.00

Paid at time of signing: (\$3,000.00)

**REMAINING BALANCE DUE:** \$ -0-

2010 Gas Assessment Renditions were filed by AEC, however the Ad Valorem Taxes will be paid by Kelly Edgar Oil & Gas Operations, LLC when due in December 2010.

**Kelley Edgar Oil & Gas Operations, LLC**

By: Kelley Edgar  
Kelly Edgar, Manager

Date: 6/16/10

**AMERICAN ENERGIES CORPORATION**

By: Alan L. DeGood  
Alan L. DeGood, President

Date: 6/16/10

## EXHIBIT "A"

Attached to and made a part of that certain Closing Statement between Kelley Edgar Oil & Gas Operations, LLC and American Energies Corporation effective June, 1, 2010.

PROPERTY NAME	LEGAL	# WELLS	W.I. %/N.R.I. %
MARION COUNTY, KANSAS			
SCULLY G LEASE	N/2 SEC 18-19S-2E	1	1.000/.84765625

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AS WELL AS all of the rights, titles and interests of Seller in and to all equipment, machinery, fixtures and other real, and personal property located on the above Leases to the extent used in connection with or attributable to the Leases, including without limitation, saltwater disposal wells, well equipment, casing, rods, tanks, buildings, tubing, pumps, motors, fixtures, compression equipment, flow lines, pipelines, gathering systems, processing and separation facilities, and other improvements used in the operation thereof ("Personal Property"). The interests also includes Seller's interest in, to the extent transferable, all contracts, permits, rights-of-way, easements, licenses, servitudes and agreements relating to the Leases, Wells or Personal Property or the ownership or operation thereof, or the production, treatment, sale, storage or disposal of hydrocarbons, water, or substances associated therewith, including but not limited to the Declaration of Unitizations and Salt Water Disposal Agreements.