

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 3 \*\*  
☐ Gas Lease: No. of Gas Wells \_\_\_\_\_ \*\*  
☐ Gas Gathering System: \_\_\_\_\_  
☒ Saltwater Disposal Well - Permit No.: D-19838  
Spot Location: 4304 feet from ☐ N / ☒ S Line  
626 feet from ☒ E / ☐ W Line  
☐ Enhanced Recovery Project Permit No.: \_\_\_\_\_  
Entire Project: ☐ Yes ☐ No  
Number of Injection Wells \_\_\_\_\_ \*\*  
Field Name: West LeRoy - Neosho Falls  
**\*\* Side Two Must Be Completed.**

Effective Date of Transfer: 3/17/2012  
KS Dept of Revenue Lease No.: 116159  
Lease Name: Edward Heirs  
Sec. 3 Twp. 23 R. 16 ☒ E ☐ W  
Legal Description of Lease: N & W of Neosho River in the NW 1/4 of Sec 3,  
the SW 1/4 of Sec 3 \* NE 1/4 sec 4-23-16E  
County: Coffey  
Production Zone(s): Squirrel  
Injection Zone(s): Iola

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

Past Operator's License No. 9829  
Past Operator's Name & Address: Hill Oil & Gas Co, Inc.  
2811 SW Burlingame Rd Topeka, Ks. 66611  
Title: Pres

Contact Person: Breck M. Hundley  
Phone: 785-817-7305  
Date: 4/7/2012  
Signature: [Signature]

New Operator's License No. 30102  
New Operator's Name & Address: Robert Christenson dba C & S Oil  
1607 Main Neosho Falls, Ks. 66758  
Title: Pres

Contact Person: Robert Christenson  
Phone: 620-365-0919  
Oil / Gas Purchaser: Pacer Energy  
Date: 4/7/2012  
Signature: [Signature] **KCC WICHITA**

**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.

Christenson, Robert dba C & S Oil is acknowledged as  
the new operator and may continue to inject fluids as authorized by  
Permit No.: D-19838 . Recommended action: NONE  
Date: 12-11-12 [Signature]  
Authorized Signature

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

DISTRICT \_\_\_\_\_ PRODUCTION 12-12-12 UIC 12-11-12  
Mail to: Past Operator 12-11-12 New Operator 12-11-12 District (3) **RECEIVED**

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

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031712\_Edward\_Heirs\_IMJ.pdf

\* Lease Name: Edward Heirs

\* Location: <sup>NW</sup> 3-23-16E Coffey Co. Ks  
\* NE 4-23-16E

[illegible]

\* Corrections per R Christenson, will send corrected copies to  
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. Surface Owner. 6/22/12

Surface Owner. 6/22/12

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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 # 9829  
Name: Hill Oil & Gas Co. Inc.  
Address 1: 2811 SW Burlingame Rd  
Address 2: \_\_\_\_\_  
City: Topeka State: KS Zip: 66611 + \_\_\_\_\_  
Contact Person: Breck M Hundley  
Phone: ( 785 ) 817-7305 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_\_ NW Sec. 3 Twp. 23 S. R. 16 ☒ East ☐ West  
County: Coffey \* NE 4-23-16E  
Lease Name: Edwards Heirs Well #: \_\_\_\_\_

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

N & W of Neosho River in the NW 1/4 of Sec. 3,  
the SW 1/4 of Sec. 3.

\* NE 4-23-16E

**Surface Owner Information:**

Name: Crandall Ranch LLC  
Address 1: 238 Native Rd SE  
Address 2: \_\_\_\_\_  
City: LeRoy State: KS Zip: 66758 + \_\_\_\_\_

*When filling 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.*

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*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owner(s) 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.*

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**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: 4/7/2012 Signature of Operator or Agent: [Signature] Title: Pres.

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Record No.  
09-160



R R I

(This Space Reserved for Filing Stamp)

Mid-Continent Association Form

# ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

HILL OIL & GAS COMPANY, INC., a Kansas Corporation

hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto RICHARD B. SCHMIDT

(hereinafter called Assignee), all their right, title and interest in and to the oil and gas lease dated January 7, 1978, from

Etta Williamson, a widow  
to D. J. Schmidt, lessee  
recorded in book 21 of O&G, page 619-620 insofar as said lease covers the following described land in Coffey County, State of Kansas

The East Half (E-1/2) of the Northeast Quarter (NE-1/4)

(This Assignment shall be subject to ALL THE EXCEPTIONS AND CONDITIONS listed on Page Two of Two and is a part hereof.)

of Section Four Township 23 South Range 16. East and containing 80 acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed, and that the Assignor will warrant and forever defend the same against all persons whomsoever, lawfully claiming or to claim the same.

EXECUTED, This 4th day of March, 1998

By: Richard B. Schmidt  
Richard B. Schmidt  
ASSIGNEE

HILL OIL & GAS COMPANY, INC.  
By: Wayne L. Hill  
Wayne L. Hill, President  
ASSIGNOR

STATE OF Kansas } ss. ACKNOWLEDGMENT FOR INDIVIDUAL  
COUNTY OF Shawnee  
Before me, the undersigned, a Notary Public, within and for said County and State, on this 4 day of March, 1998, personally appeared Richard B. Schmidt and D. J. Schmidt  
to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.  
My commission expires 5/22/2001

Daryl D. Hill Notary Public

STATE OF KANSAS } ss. ACKNOWLEDGMENT FOR CORPORATION  
COUNTY OF SHAWNEE  
Be it remembered that on this 4th day of March, 1998, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Wayne L. Hill the president of HILL OIL & GAS COMPANY, INC. a corporation of the State of Kansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.  
My commission expires 10-15-01

GAIL TRAYLOR Notary Public

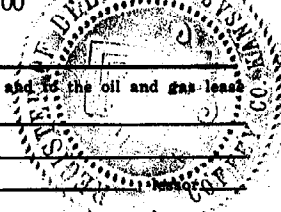
State of Kansas, Coffey County, ss

This instrument was filed for record on the 5 day of May A.D., 1998 at 12:05 o'clock P. M. and duly recorded in Book 32 of O&G at page 462-463

Linda M. Traylor

REGISTER OF DEEDS

By Quinn A. Brooks Deputy  
Fee \$8.00



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JUN 21 2012

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ASSIGNMENT OF OIL AND GAS LEASEHILL OIL & GAS COMPANY, INC., Assignor.

This Assignment shall be subject to all the terms, conditions, exceptions and reservations as set forth on page two of two hereof and is a part of this Assignment.

Exceptions and Reservations:

1. Assignor reserves all rights and ownership to the salt water disposal well known as Number W-4 and the Edwards Lease tank battery located on the area on tracts of land commencing at a point 340 feet west of the East line and 800 feet South of the North line of the East Half of the Northeast Quarter of Section Four (disposal well), Township 23 South, Range 16 East, Coffey County, Kansas, thence running West 200 feet, thence South 150 feet, thence West 200 feet, thence South 185 feet, thence East 400 feet, thence North 335 feet to the place of beginning, with right-of-way easements for roadways, electric power lines and pipelines to and from the Edwards Lease tank battery now located on tract of land commencing at a point 340 feet West of the East line and 800 feet South of the North line of the East Half of the Northeast Quarter of Section Four, Township 23 South, Range 16 East, Coffey County, Kansas (Edwards tank), thence running North 85 feet, thence East 40 feet, thence South 85 feet, thence West 40 feet to the place of beginning.
2. The Assignee shall have the right at his expense to install and maintain a salt water line to the above reserved disposal well or to any other disposal well the Assignor may be using on the reserved land or on the adjacent Edwards Lease which land is now owned by Kerry O. Trostle, and Assignee shall pay one-half of the expenses of operation of said reserved disposal well for each month used.
3. Assignor excepts and reserves title to a certain surface land lease dated April 17, 1980, recorded in Book 23 of O&G at pages 463 to 465 in the Office of the Register of Deeds, Coffey County, Kansas, used for storage of personal equipment thereon. All the present personal property on said surface lease is owned by D. J. Schmidt or R. B. Schmidt, excepting the salt water disposal equipment and lines, and Edwards tanks owned by Hill Oil & Gas Company, Inc., now located on the above land.
4. This Assignment shall be subject to a prior reservation of an overriding royalty interest consisting of an undivided one-eighth (1/8th) of eight-eighths (8/8ths) interest being a .12500 net revenue interest.
5. Assignor agrees to execute and deliver transfer orders in favor of the Assignee from the crude oil buyer, Crude Marketing, Inc., within a reasonable time covering the above interest in the event production is obtained.
6. Assignee shall hold harmless/Hill Oil & Gas Company, Inc. against any and all liabilities except the Edwards tank battery, Edwards gun barrel tank, all disposal and electric lines running to and from Edwards gun barrel area and Williams disposal well W-4.

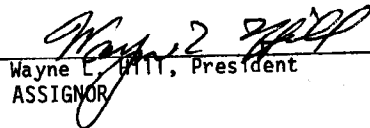
EXECUTED, This 4th day of March, 1998.

HILL OIL &amp; GAS COMPANY, INC.

By:

  
Richard B. Schmidt  
ASSIGNEE

By:

  
Wayne L. Hill, President  
ASSIGNOR

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JUN 21 2012  
KCC WICHITA