

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 14 **
☐ Gas Lease: No. of Gas Wells _____ **
☐ 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.: E24330
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 1 **

Field Name: St. Paul-Walnut

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

Effective Date of Transfer: 12-22-12

KS Dept of Revenue Lease No.: 115020

Lease Name: Hy-Grade

Sec. 15 Twp. 29S R. 21E ☒ E ☐ W

Legal Description of Lease: SE/4 15 - T29S - R21E

County: Neosho

Production Zone(s): Peru

Injection Zone(s): Peru 161' to 184.5'

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

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

Past Operator's License No. 34673

Past Operator's Name & Address: Bud's Oil Company

7720 Xavier Road St. Paul, KS 66771

Title: _____

Contact Person: Dean Ewan

Phone: 620-431-8469

Date: 12-22-12

Signature: [Signature]

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DEC 31 2012

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New Operator's License No. 9684

New Operator's Name & Address: M S Drilling

P. O. Box 87

St. Paul, KS 66771

Title: _____

Contact Person: Mark Smith

Phone: 620-423-6715

Oil / Gas Purchaser: High Sierra

Date: 12-22-12

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.

Smith, Mark A dba MS Drilling Company is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-24,330 . Recommended action: Violation
Need UIC's for 2006-2011
Date: 1-9-13 Cheryl K. Boyer
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 1/8/13 PRODUCTION 1-11-13 UIC 1-9-13
Mail to: Past Operator 1-9-13 New Operator 1-9-13 District 3 1-9-13

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

122212_Hy_Grade_IMJ.pdf

Must Be Filed For All Wells

KDOR Lease No.: 115020

* Lease Name: Hy-Grade

* Location: S15 - T29S - R21E

| 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 | 15-133-01542-00-00 ✓ | 380 ^{Circle} FSL/FNL 1734 ^{Circle} FEL/FWL | oil | prod |
| 2 | 15-133-01543-00-00 ✓ | 263 ^{Circle} FSL/FNL 1716 ^{Circle} FEL/FWL | oil | prod |
| 3 | 15-133-01544-00-00 ✓ | 534 ^{Circle} FSL/FNL 1794 ^{Circle} FEL/FWL | oil | prod |
| 4 | 15-133-01545-00-00 ✓ | 899 ^{Circle} FSL/FNL 1599 ^{Circle} FEL/FWL | oil | prod |
| 5 | 15-133-01546-00-00 ✓ | 560 ^{Circle} FSL/FNL 1500 ^{Circle} FEL/FWL | oil | prod |
| 6 | 15-133-01547-00-00 ✓ | 137 ^{Circle} FSL/FNL 1960 ^{Circle} FEL/FWL | oil | prod |
| 7 | 15-133-01548-00-00 ✓ | 134 ^{Circle} FSL/FNL 2334 ^{Circle} FEL/FWL | oil | prod |
| 8 | 15-133-01549-00-00 ✓ | 341 ^{Circle} FSL/FNL 2294 ^{Circle} FEL/FWL | oil | prod |
| 9 | 15-133-01550-00-00 ✓ | 221 ^{Circle} FSL/FNL 2500 ^{Circle} FEL/FWL | oil | prod |
| 10 | 15-133-01551-00-00 ✓ | 60 ^{Circle} FSL/FNL 2216 ^{Circle} FEL/FWL | oil | prod |
| 11 | 15-133-01552-00-00 ✓ | 221 ^{Circle} FSL/FNL 2236 ^{Circle} FEL/FWL | oil | prod |
| 13 | 15-133-25126-00-00 ✓ | 165 ^{Circle} FSL/FNL 1495 ^{Circle} FEL/FWL | oil | prod |
| 14 | 15-133-25144-00-00 ✓ | 1025 ^{Circle} FSL/FNL 1485 ^{Circle} FEL/FWL | oil | prod |
| 15 | 15-133-25234-00-00 ✓ | 1404 ^{Circle} FSL/FNL 1485 ^{Circle} FEL/FWL | oil | prod |
| 1 INJ | 15-133- ²⁴⁹⁸² 98752 -00-00 ✓ | 70 ^{Circle} FSL/FNL 1855 ^{Circle} FEL/FWL | INJ | active |
| | | FSL/FNL FEL/FWL | | |
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| | | FSL/FNL FEL/FWL | | |

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.

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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 # 9684
Name: M S Drilling
Address 1: P. O. Box 87
Address 2: _____
City: St. Paul State: KS Zip: 66771 + _____
Contact Person: Mark A. Smith
Phone: (620) 423-6715 Fax: (_____) _____
Email Address: _____

Well Location:
_____ SE Sec. 15 Twp. 29 S. R. 21 ☒ East ☐ West
County: Neosho
Lease Name: Hy-Grade Well #: _____

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

SE/4 Section 15 - T29S - R21E

Surface Owner Information:

Name: Monte Smith
Address 1: P. O. Box 206
Address 2: _____
City: St. Paul State: KS Zip: 66771 + _____

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) related to 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: 12/22/12 Signature of Operator or Agent: Mark A. Smith Title: _____