

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 23 ..
☐ 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.: E8145
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 10-3 ..
Field Name: Trent St Paul-Walnut
.. Side Two Must Be Completed.

Effective Date of Transfer: 8-1-2011
KS Dept of Revenue Lease No.: 115274 ✓
Lease Name: Casady
.. Sec. 22 Twp. 28 R. 20 ☒ E ☐ W
Legal Description of Lease: NE 1/4
County: Neosho
Production Zone(s): Bartlesville
Injection Zone(s): Bartlesville

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. New lease See Attached
Past Operator's Name & Address: ..
Title: ..
Phone: ..
Date: ..
Signature: ..
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New Operator's License No. 32595
New Operator's Name & Address: MSG Resources Inc
975 1400 St
Topeka, KS. 66749
Title: Co-owner
Contact Person: Michael E. Brown
Phone: 620-365-0638
Oil / Gas Purchaser: Pacer
Date: 8-1-2011
Signature: Michael E Brown

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.

MSG Resources Inc is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-08145 .. Recommended action: Inject for Wells
MET's overdue + lost 5 yrs U305
Date: 1-25-13 Cheryl L. Bayles
Authorized Signature

.. is acknowledged as
the new operator of the above named lease containing the surface pit
Permitted by No.: ..
Date: ..
Authorized Signature
DISTRICT 1/23/13 EPR 1-25-13 PRODUCTION 2-11-13 UIC 1-26-13
Mail to: Past Operator .. New Operator .. District 3 1-25-13

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
if Intended Wells have been Drilled - they are NOT Authorized
Applications must be sent to KCC - TAD STATUS Needs
Applications + Approved then District #3 Office

060111_Simmons_INT.pdf

Must Be Filed For All Wells

KDOR Lease No.: 115276

Lease Name: CASADY

Location: NEOSHO COUNTY

Well No.	API No. (YR DRLD/PRE '87)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
* CAS01	15-133 90,444 ✓	3090 Circle 2776 FSL/FNL	2490 Circle 2557 FSL/FWL INJ	PROD
CAS06	15-133 24,152	3111 FSL/FNL	1640 FSL/FWL INJ	TA'D
* CAS027	15-133 24,153 ✓	3125 FSL/FNL	1933 FSL/FWL INJ	TA'D
CAS16	15-133 22,655	2490 FSL/FNL	1530 FSL/FWL INJ PW	TA'D
CAS07	15-133 22,652	2490 FSL/FNL	2490 FSL/FWL INJ PW	TA'D
CAS09	15-133 22,653	2490 FSL/FNL	2170 FSL/FWL INJ PW	TA'D
CAS10	15-133 23,579	2635 FSL/FNL	2010 FSL/FWL INJ PW	TA'D
CAS11	15-133 23,293	2635 FSL/FNL	2210 FSL/FWL INJ PW	TA'D
CAS21	15-133 22,654	2490 FSL/FNL	1850 FSL/FWL INJ PW	TA'D
CAS23	15-133 22,656	2490 FSL/FNL	1210 FSL/FWL INJ PW	TA'D
* CAS25	15-133 90,244 ✓	3429 Circle 2776 FSL/FNL	2557 FSL/FWL INJ	TA'D
CAS03	PRE '67/15-133-01079 ✓	2779 FSL/FNL	2170 FSL/FWL OIL	PROD
CAS04	PRE '67/15-133-01080 ✓	2772 FSL/FNL	2021 FSL/FWL OIL	PROD
CAS5	PRE '67/15-133-01081 ✓	2782 FSL/FNL	1878 FSL/FWL OIL	PROD
CAS08	PRE '67/15-133-01082 ✓	3437 FSL/FNL	1537 FSL/FWL OIL	Prod
CAS12	PRE '67/15-133-01083 ✓	3749 FSL/FNL	1480 FSL/FWL OIL	Prod
CAS13	PRE '67/15-133-01084 ✓	3872 FSL/FNL	1157 FSL/FWL OIL	Prod
CAS14	PRE '67/15-133-01085 ✓	4107 FSL/FNL	1162 FSL/FWL OIL	Prod
CAS15	PRE '67/15-133-01086 ✓	4096 FSL/FNL	1491 FSL/FWL OIL	PROD
CAS17	PRE '67/15-133-01087 ✓	3419 FSL/FNL	1155 FSL/FWL OIL	PROD
CAS18	PRE '67/15-133-01088 ✓	3101 FSL/FNL	1092 FSL/FWL OIL	PROD
CAS19	PRE '67/15-133-01089 ✓	2782 FSL/FNL	1398 FSL/FWL OIL	Prod
CAS20	PRE '67/15-133-01090 ✓	2751 FSL/FNL	822 FSL/FWL OIL	PROD

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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* Location: NEOSHO COUNTY

Well Status
(PROD/TAT/Abandoned)

* 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 # 32595
Name: MSG Resources Inc
Address 1: 975 1400 St
Address 2: _____
City: Toia State: Ks Zip: 66749
Contact Person: Michael E. Brown
Phone: (620) 365-0638 Fax: (_____) _____
Email Address: msgresources@midwest-connections.com

Well Location:
Sec. 22 Twp. 28 S. R. 20 ☐ East ☐ West
County: Neosho
Lease Name: Casady Well #: _____
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
NE 1/4

Surface Owner Information:

Name: Beachner Brothers Inc.
Address 1: P.O. Box 128
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) 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: 1-16-2013 Signature of Operator or Agent: Michael E. Brown Title: Co-Owner

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

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OIL AND GAS LEASE

1870

2011

AGREEMENT, Made and entered into this 1st day of August
by and between Beachner Bros. Inc.

Party of the First part, hereafter called lessor (whether one or more)
of Michael E. Brown & Garret M. Brown dba MEG Resources, party of the second part, lessee.

WITNESSETH, That the said lessor, for and in consideration of DOLLARS cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessor 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 mining and operating for oil and gas, and laying pipe lines, and building tanks, powers, stations and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the County of Neosho State of Kansas, described as follows, to-wit:

NE 4 (Northwest Quarter)

of Section 22 Township 28 S Range 20 E and containing 160 acres, more or less.

It is agreed that this lease shall remain in force for a term of 1 years from date, and as long thereafter as oil ~~or gas~~ 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 he may connect his wells, the equal one-eighth ($\frac{1}{8}$) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas from each well where gas only is found, the equal one-eighth ($\frac{1}{8}$) of the gross proceeds at the prevailing market rate, for all gas used on the premises, said payments to be made and lessor to have his free of cost from any such well for all pipes and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used on the premises or for the manufacture of casing-head gas, the equal one-eighth ($\frac{1}{8}$) of the gross proceeds at the prevailing market rate for the gas used, for the time during which such gas shall be used, said payments to be made As Marketed

If no well be commenced on said land on or before the 1st day of August, 1920, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in The Bank at DOLLARS, which sum shall operate as a rental and cover the privileges of deferring

the commencement of a well for 12 months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment covers not only the privileges granted to the date when said first rental is payable aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of last rental period to which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraphs hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid 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 operation thereon, except water from wells of lessor.

When requested by 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 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 lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion 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 herein first mentioned.

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, but no change in the ownership of the land or assignment of rentals 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; and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rentals.

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 exhibit A

In Testimony Whereof We Sign, this the 25th day of August, 2011

Witness:

[Signature]

[Signature] (SEAL)
[Signature] (SEAL)
Eugene C. Beachner (SEAL)
(SEAL)

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ACKNOWLEDGEMENT TO THE LEASE

STATE OF KANSAS, County of NEOSHO, ss.
 BE IT REMEMBERED, That on this 25th day of August in the year of our Lord two thousand nine hundred and 11, before me, a Notary Public in and for said County and State, came EUGENE C. BEACHMER, PRESIDENT OF BEACHMER DEER, INC. his wife to me personally known to be the identical person who executed the above and foregoing instrument, and who each duly acknowledged the execution of the same.

In Witness Whereof, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.

My commission expires 4/14/2017  Jay G. Leek Notary Public

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:

That _____ of _____ the within named grant _____ in consideration of the sum of _____ Dollars to _____ hereby sell, assign, transfer, set over and convey unto _____ heirs and assigns the within grant.

TO HAVE AND TO HOLD THE SAME FOREVER, subject nevertheless, to the conditions therein contained.

In Witness Whereof, the said grant _____ ha _____ hereunto set _____ hand _____ this _____ day of _____, 19 _____

ACKNOWLEDGMENT OF THE ASSIGNMENT

STATE OF KANSAS, County of _____, ss.
 BE IT REMEMBERED, That on this _____ day of _____ in the year of our Lord one thousand nine hundred and _____, before me, a Notary Public in and for said County and State, came _____ and _____ to me personally known to be the identical person who executed the above and foregoing instrument, and who each duly acknowledged the execution of the same.

In Witness Whereof, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.

My commission expires _____ Notary Public

FORM 98 (PRODUCERS) (KANSAS) B	OIL AND GAS LEASE	FROM	TO	Date	Section	Township	Range	No. of Acres	County	State	Term	County of	State of Kansas	This instrument was filed for record on the	day of	at	o'clock	M., and duly recorded	in book	page	of the	records of this office.	By	Register of Deeds	Deputy Clerk	THE HOLA REGISTER

ACKNOWLEDGMENT WHERE LESSOR SIGNS BY MARK

STATE OF KANSAS, County of _____, ss.
 On this _____ day of _____, A. D., 19 _____, before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared _____ and _____ to me known to be the identical person who executed the within and foregoing instrument by _____ mark in my presence and in the presence of _____ as witnesses, and acknowledged to me that

executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires _____ Notary Public

NOTE—The signature by mark of a lessor who cannot write his name must be witnessed by two witnesses, one of whom must write lessor's name near such mark.

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Exhibit A:

This lease is an oil only lease.

All flow lines will be buried.

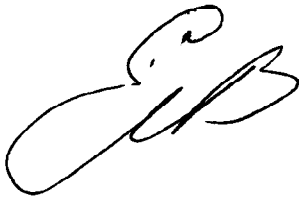
All electric lines will be overhead lines or buried lines.

All operating pump jack, injection wells and tank batteries with berms shall be fenced with cattle panels.

All equipment on site at the commencement of the lease shall remain on the NE 22-28-20, SE 23-28-20 and S2S2NE of 23-28-20.

In the event of non-production for a period of six months this lease shall be forfeited by lessee unless both parties mutually agree to extend the lease by renewing bonus payment in the same amount as the original lease.

In the event that wells are drilled both parties will meet and agree to the location of said wells.



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STATE OF KANSAS, NEOSHO COUNTY, SS
GLENDA K. TAYLOR, REGISTER OF DEEDS

Book: 453 Page: 53

Pages Recorded: 3

Recording Fee: \$16.00

Date Recorded: 8/25/2011 1:30:02 PM

Cheryl L. Boyer

From: Michael Brown [msgresources@midwest-connections.com]
Sent: Monday, January 28, 2013 2:20 PM
To: Cheryl L. Boyer
Subject: Re: Casady Lease 22-28-20E

Hello, The wells were listed as injectors on a previous transfer, on further inspection, they haven't been used as injectors in recent years . Our plan is to produce them as we can afford to put them on. All wells listed as producers are producing.
Please let us know what else you require.

Thanks, Michael Brown Original Message -----

From: Cheryl L. Boyer <c.boyer@kcc.ks.gov>

To: MSGRESOURCES@MIDWEST-CONNECTIONS.COM

Sent: Fri, 25 Jan 2013 14:45:13 -0600 (CST)

Subject: Casady Lease 22-28-20E

Hi Mr. Brown:

In processing the T1 that was received in our office on 1/22/2013 for Permit E-08,145 and find that you have 10 injectors listed.

We are only showing that only 3 injectors are Authorized under this Permit. The remaining wells that you list as injectors are only listed in our system as intended and we have not received paperwork that these wells were ever drilled.

Also the T1 states that most of these wells have TA for the well status - we are showing that the TA status was never applied for or approved.
The TA status must be applied for and approved by our District Office #3 in Chanute, KS.

Any assistance you could provide on the status of these wells would be greatly appreciated.

If you have any questions, or need any further information, please do not hesitate to contact us.

Cheryl Boyer
Research Analyst

[KS_webKCCLogo_Blue-Gold_386.jpg]

Kansas Corporation Commission
130 S. Market, Rm. 2078
Wichita, KS 67202-3802
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cboyer@kcc.ks.gov <<mailto:cboyer@kcc.ks.gov>>