

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 12 1 WSW **
☐ 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.: E23919
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 6 **

Field Name: Pleasant Valley
** Side Two Must Be Completed.

Effective Date of Transfer: 12-4-2012
KS Dept of Revenue Lease No.: 123239
Lease Name: Fox
_____ W1/4 _____ SW1/4 _____ Sec. 26 Twp. 28 R. 21 ☒ E ☐ W
Legal Description of Lease: W 1/2 OF SW 1/4 SECTION 26-28S-21E
County: Crawford
Production Zone(s): Cattleman
Injection Zone(s): Cattleman

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. 32689 Exp. License 8/30/07
Past Operator's Name & Address: Michael Fox (Deceased)
Box 148 Walnut, KS 66780 New Lease
Title: Owner

Contact Person: _____
Phone: _____
Date: _____
Signature: See Attachments

New Operator's License No. 34195
New Operator's Name & Address: O'Connell, James P.
16525 E. 35TH ST CT
INDEPENDENCE, MO 64055
Title: Operator

Contact Person: O'Connell, James P.
Phone: 816-373-5242
Oil / Gas Purchaser: Pacer Energy Marketing LLC
Date: 12-4-2012
Signature: James P. O'Connell

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.

O'Connell, James P is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-23,919 Recommended action: Violation
MIT's overdue 10-10-11 + last 3 yrs U30's Needed
Date: 1-16-13 Cheryl L. Beyer
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	1/15/13	PRODUCTION	1-30-13	UIC	1-16-13
Mail to: Past Operator			New Operator	1-16-13	District	③ 1-16-13

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

120412_Fox_IMJ.pdf

Must Be Filed For All Wells

KDOR Lease No.: 123239

* Lease Name: Fox

* Location: W 1/2 OF SW 1/4 SECTION 26-28S-21E

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-A	15-037-01001-00-00 ✓	921 ^{Circle} FSL/FNL	5128 ^{Circle} FEL/FWL	Oil	PROD
2-A	15-037-21305-00-00 ✓	554 ^{Circle} FSL/FNL	5169 ^{Circle} FEL/FWL	Oil	PROD
3-A	15-037-21306-00-00 ✓	569 ^{Circle} FSL/FNL	4839 ^{Circle} FEL/FWL	Oil	PROD
4-A	15-037-21307-00-00 ✓	891 ^{Circle} FSL/FNL	4838 ^{Circle} FEL/FWL	Oil	PROD
8-A	15-037-21339-00-00 ✓	865 ^{Circle} FSL/FNL	4520 ^{Circle} FEL/FWL	Oil	PROD
9-A	15-037-21340-00-00 ✓	579 ^{Circle} FSL/FNL	4522 ^{Circle} FEL/FWL	Oil	PROD
10-A	15-037-21341-00-00 ✓	240 ^{Circle} FSL/FNL	4524 ^{Circle} FEL/FWL	Oil	PROD
12-A	15-037-21345-00-00 ✓	905 ^{Circle} FSL/FNL	4175 ^{Circle} FEL/FWL	Oil	PROD
13-A	15-037-21346-00-00 ✓	579 ^{Circle} FSL/FNL	4189 ^{Circle} FEL/FWL	Oil	PROD
14-A	15-037-21347-00-00 ✓	276 ^{Circle} FSL/FNL	4195 ^{Circle} FEL/FWL	Oil	PROD
15-A	15-037-21348-00-00 ✓	232 ^{Circle} FSL/FNL	5185 ^{Circle} FEL/FWL	WSW	PROD
16	15-037-01000-00-00 ✓	243 ^{Circle} FSL/FNL	4908 ^{Circle} FEL/FWL	Oil	Active
1-WI	15-037-21304-00-00 ✓	410 ^{Circle} FSL/FNL	5014 ^{Circle} FEL/FWL	INJ	Active
2-WI	15-037-21329-00-00 ✓	726 ^{Circle} FSL/FNL	4992 ^{Circle} FEL/FWL	INJ	Active
5-WI	15-037-21336-00-00 ✓	729 ^{Circle} FSL/FNL	4667 ^{Circle} FEL/FWL	INJ	Active
6-WI	15-037-21337-00-00 ✓	421 ^{Circle} FSL/FNL	4710 ^{Circle} FEL/FWL	INJ	Active
8-WI	15-037-21350-00-00 ✓	742 ^{Circle} FSL/FNL	4381 ^{Circle} FEL/FWL	INJ	Active
9-WI	15-037-21351-00-00 ✓	406 ^{Circle} FSL/FNL	4361 ^{Circle} FEL/FWL	INJ	Active
17	NA 15-037-01681 ✓	676 ^{Circle} FSL/FNL	4321 ^{Circle} FEL/FWL	OIL	Active
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		

GPS w/NAO 83

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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 # 34195
Name: O'Connell, James P.
Address 1: 16525 E. 35TH ST CT
Address 2: _____
City: INDEPENDENCE, State: MO Zip: 64055 + _____
Contact Person: O'Connell, James P.
Phone: (816) 373-5242 Fax: (_____) _____
Email Address: _____

Well Location: _____
_____ Sec. _____ Twp. _____ S. R. _____ ☐ East ☐ West

County: _____

Lease Name: Fox A Well #: _____

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

W 1/2 OF SW 1/4 SECTION 26-28S-21E

Surface Owner Information:

Name: Joey J. O'Brien
Address 1: 23600 110TH RD
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: 12-4-2012 Signature of Operator or Agent: James P O'Connell Title: Operator

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Oil Lease

AGREEMENT, Made and entered into this DEC. 4TH, 2012, by and between JOEY J. O'BRIEN and/or CARLA O'BRIEN hereinafter called lessor (whether one or more) and James Patrick O'Connell, Jr. hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of \$1 and other valuable goods, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for crude oil, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of CRAWFORD, State of Kansas, as described as follows, to-wit:

W¹/₂ SW¹/₄ SECTION 26 TOWNSHIP 28S RANGE 21E

It is agreed that this lease shall remain in full force for a term of two years from this date, and as long thereafter as oil is produced from said land by the lessee and/or assigns, and with a minimum payment to lessor of \$3000.00 per year generated from the Land Owner Interest (.1875) of oil produced and /or a cash payment. The end of the calendar year shall be used for the twelve month period to determine the satisfaction of the minimum lease payment to lessor based upon the preceding twelve months production revenue, and paid to Lessor no later than January 31 of the following year.

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

1. To deliver to the credit of lessor, free of cost, the equal of three-sixteenths (18.75%) part of all oil produced and saved from the leased premises.

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 proportion which his interest bears to the whole and undivided fee.

2. 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.
3. Lessee shall bury pipe and electrical lines below plow depth with the exception of overhead power lines.
4. Lessee shall pay for damages caused by the operation to growing crops on said land.
5. Lessee shall have the right at any time to remove their own machinery and fixtures placed on the said premises that the lessee owns separately and uses with the existing inventory of equipment on the property.
6. If the leased property fails to be economically feasible the Lessee is required to remove all oil production equipment, plug the wells and cut-off the well heads three feet below ground level or to bedrock if less than three feet from ground level.
7. Lessee shall build: (1) roads providing access to the wells, (2) structures and (3) other improvements on said land, without cost to the lessor, for the purpose of operating oil producing activities.

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Oil Lease

8. Lessee has right to assign lease to other parties.
9. Lessor grants lessee First Option to acquire gas lease from lessor on said land.
10. 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 a well to completion with reasonable diligence and dispatch, and if oil be found in paying quantities, this lease shall continue and be in force with the 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, the covenants hereto 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 of a true copy thereof, and it is hereby agreed in the event this lease shall be assigned as to a part or to parts of the above described lands and to 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 assignee thereof shall make due payments of said rentals. 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 or 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 prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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 and holder thereof.

Whereof witness our hands as of the day and year 12/4/12 (SEAL)

First above written. Joey J O'Brien (SEAL)

Print name: Joey J O'Brien

STATE OF: Kansas

ss. ACKNOWLEDGEMENT FOR THE INDIVIDUAL

COUNTY OF: Neosho

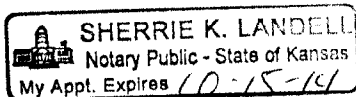
Before me, the undersigned, a Notary Public, within and for said county and state, on this 4 day of Dec, A.D. 2012, personally appeared Joey J. O'Brien

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Page 2 of 2



Sherrie K Landell

Derek Morris
P.O. Box 305
Weir, KS 66781



0606-0379

JEANETTE NEPOTE
CRAWFORD COUNTY REGISTER
GIRARD, KS

RECORDED ON 12/04/2012 12:43:33PM

INDEBT:	0.00
REC FEE:	10.00
TECH FEE:	6.00
TOTAL:	\$16.00

PAGES: 3

