

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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.

Form T-1  
March 2010  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

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: \_\_\_\_\_

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

Effective Date of Transfer: October 1, 2012

KS Dept of Revenue Lease No.: 228977

Lease Name: McMILLIN

\_\_\_\_\_ SW - NE Sec. 10 Twp. 33 R. 16 ☒ E ☐ W

Legal Description of Lease: T33S-R16E Sec. 10: NE/4

County: Montgomery

Production Zone(s): MULTI-ZONE

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

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. 33365

Past Operator's Name & Address: Layne Energy Operating, LLC  
1900 Shawnee Mission Parkway, Mission Woods, KS 66205

Title: President

Contact Person: Victor H. Dyal

Phone: 913-362-0510

Date: December 1, 2012

Signature: Phil Wimer

New Operator's License No. 34779

New Operator's Name & Address: LR Energy, Inc.  
8150 N. Central Expressway, Suite 1605

Dallas, TX 75206

Title: Chief Operating Officer

Contact Person: John G. Burke

Phone: 214-691-5800

Oil / Gas Purchaser: Enserco Energy

Date: December 1, 2012

Signature: [Signature]

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**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 3/4/13 PRODUCTION 3.5.13 UIC 3-5-13  
Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

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

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\* Lease Name: McMILLIN

\* Location: 10-33-16E

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\* 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 # 33365  
Name: Layne Energy Operating, LLC  
Address 1: 1900 Shawnee Mission Parkway  
Address 2: \_\_\_\_\_  
City: Mission Woods State: KS Zip: 66205 + \_\_\_\_\_  
Contact Person: Victor H. Dyal  
Phone: ( 913 ) 362-0510 Fax: ( 913 ) 362-0133  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_\_ - SW - NE Sec. 10 Twp. 33 S. R. 16 ☒ East ☐ West  
County: Montgomery  
Lease Name: McMILLIN Well #: 7-10

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

**Surface Owner Information:**

Name: DAVID B AND ANNETTE McMILLIN  
Address 1: 871 PETER PAN RD  
Address 2: \_\_\_\_\_  
City: INDEPENDENCE State: KS Zip: 67301 + \_\_\_\_\_

*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: 12/1/12 Signature of Operator or Agent: Phil Winner Title: President

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