March 2010 Form must be Typed Form must be Signed All blanks must be Filled

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. Check Applicable Boxes: October 1, 2012 Effective Date of Transfer: _ Oil Lease: No. of Oil Wells Gas Lease: No. of Gas Wells KS Dept of Revenue Lease No.: _ 230255 Gas Gathering System: Lease Name: MCGINNIS Saltwater Disposal Well - Permit No.: _ Sec. 4 Twp. 31 R. 14 F W feet from N / S Line Legal Description of Lease: T 31 South, R 14 East Sec 4: feet from E / W Line A metes/bounds tract in the NW/4 Enhanced Recovery Project Permit No.: _ County: Montgomery Entire Project: Yes No Number of Injection Wells Production Zone(s): MULTI-ZONE Field Name: Injection Zone(s):_ ** Side Two Must Be Completed. _ feet from N / S Line of Section Surface Pit Permit No.: _ (API No. if Drill Pit, WO or Haul) feet from E / W Line of Section Workover D Settlina Haul-Off Type of Pit: Emergency Burn Victor H. Dyal Past Operator's License No. Contact Person: _ Past Operator's Name & Address: Layne Energy Operating, LLC Phone: 913-362-0510 Date: _____December 1, 2012 1900 Shawnee Mission Parkway, Mission Woods, KS 66205 Title: President Signature: Contact Person: John G. Burke New Operator's License No. -Phone: 214-691-5800 New Operator's Name & Address: LR Energy, Inc. Oil / Gas Purchaser: _Enserco Energy 8150 N. Central Expressway, Suite 1605 Date: December 1, 2012 KCC WICHIT Dallas, TX 75206 **Chief Operating Officer** Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit #_ 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 is acknowledged as the new operator of the above named lease containing the surface pit the new operator and may continue to inject fluids as authorized by permitted by No.: __ . Recommended action: Date: Authorized Signature

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

New Operator,

DISTRICT _

Mail to: Past Operator

PRODUCTION ____

District

Side Two

Must Re Filed For All Wells

	No.: 230255 MCGINNIS	* Location: 4-31-14E			
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)
5-4		Circle FSL/FN	1246 Circle	СМ	PROD
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
	·	FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		_
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
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		FSL/FNL	FEL/FWL		
- 11- ipi 1		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
			FEL/FWL		
			FEL/FWL		RECEIVE
					_

A separate sheet may be attached if necessary

FSL/FNL _

FSL/FNL _

____ FEL/FWL

FEL/FWL

KCC WICHITA

^{*} 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

Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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:	Cathodic Protection Borehole Intent) X T-1 (Tran	sfer) CP-1 (Plugging Application)	
OPERATOR: License # 33365 Name: Layne Energy Operating, LLC Address 1: 1900 Shawnee Mission Parkway Address 2:	Well Location:		
Name: Layne Energy Operating, LLC			
Address 1. 1900 Shawnee Mission Parkway	County: Montgomery Lease Name: MCGINNIS Well #: 5-4		
Address 3:	Lease Name: MCGINNIS	Well #: <u>5-4</u>	
City: Mission Woods State: KS Zip: 66205 + Contact Person: Victor H. Dyal Phone: (913) 362-0510 Fax: (913) 362-0133	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:		
Phone: (913) 362-0510 Fax: (913) 362-0133			
Email Address:			
Surface Owner Information: Name: MICHAEL JAY MCGINNIS & MARY MCGINNIS & CHRISTOPHER MICHAEL MCGINNIS Address 1: PO BOX 298	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.		
Address 2:			
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Catho the KCC with a plat showing the predicted locations of lease roads, tank are preliminary non-binding estimates. The locations may be entered of Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be lead to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be lead to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be lead to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be lead to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be leaded.	k batteries, pipelines, and electrical lines n the Form C-1 plat, Form CB-1 plat, or a not (House Bill 2032), I have provided t	. The locations shown on the plat a separate plat may be submitted. The following to the surface	
owner(s) of the land upon which the subject well is or will be l	ocated: 1) a copy of the Form C-1, For	n CB-1. Porm I-1. Or Form	
CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a	being filed is a Form C-1 or Form CB-1,	the plat(s) required by this	
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, and email address. acknowledge that, because I have not prover(s). To mitigate the additional cost	the plat(s) required by this ovided this information, the of the KCC performing this	
CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface ov	being filed is a Form C-1 or Form CB-1, and email address. acknowledge that, because I have not provner(s). To mitigate the additional cost of fee, payable to the KCC, which is enclosed fee with this form. If the fee is not received.	the plat(s) required by this ovided this information, the of the KCC performing this osed with this form.	
CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface ow task, I acknowledge that I am being charged a \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 hereby certify that the statements made herein are true and correct to	being filed is a Form C-1 or Form CB-1, and email address. acknowledge that, because I have not provner(s). To mitigate the additional cost of fee, payable to the KCC, which is enclosed fee with this form. If the fee is not received will be returned.	the plat(s) required by this ovided this information, the of the KCC performing this osed with this form.	

KCC WICHITA

DEC 2 8 2012