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: Effective Date of Transfer: _ October 1, 2012 Oil Lease: No. of Oil Wells Gas Lease: No. of Gas Wells _ 1 KS Dept of Revenue Lease No.: 230723 Gas Gathering System: Lease Name: FALKE Saltwater Disposal Well - Permit No.: __ - <u>S2 - S2 - SW Sec. 2 Twp. 31 R. 16</u> ✓ E W feet from N / S Line Legal Description of Lease: T 31 South, R 16 East Sec 2: __ feet from __ E / __ W Line The South Quarter of the Southwest Quarter 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 Haul-Off Workover ✓ Drilling Settling Type of Pit: Emergency Burn 33365 Victor H. Dyal Contact Person: Past Operator's License No. Past Operator's Name & Address: Layne Energy Operating, LLC Phone: 913-362-0510 December 1, 2012 1900 Shawnee Mission Parkway, Mission Woods, KS 66205 Signature: Contact Person: John G. Burke New Operator's License No. . Phone: 214-691-5800 New Operator's Name & Address: LR Energy, Inc. 8150 N. Central Expressway, Suite 1605 Oil / Gas Purchaser: Enserco Energy Date: December 1, 2012 KCC WICHITA Dallas, TX 75206 Title: Chief Operating Officer Signature: 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 and may continue to inject fluids as authorized by the new operator of the above named lease containing the surface pit _____. Recommended action: permitted by No.: ___ Date: Authorized Signature Authorized Signature PRODUCTION ___ DISTRICT __ District **New Operator** Mail to: Past Operator _

Side Two

Must Be Filed For All Wells

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KDOR Lease No.: _	230723	 •

* Lease Name:	FALKE			* Location:2	-31-16E	A ALL AND A STATE OF THE STATE
Well No.	API No. (YR DRLD/PRE '67)	Foota (i.e. FSL	age from S = Feet from	Section Line om South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
13-2	15-125-31668	3316	Circle SI/FNL	1229 Circle	СМ	PROD
- 10.00		F	SL/FNL	FEL/FWL		
		F	SL/FNL	FEL/FWL		
		F	SL/FNL	FEL/FWL		
		F	SL/FNL	FEL/FWL		
		F	FSL/FNL	FEL/FWL		
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		F	SL/FNL	FEL/FWL		
		F	SL/FNL	FEL/FWL		
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		F	SL/FNL	FEL/FWL		
			SL/FNL	FEL/FWL		
			FSL/FNL			
			FSL/FNL	FEL/FWL		
w	300-31					RECEIVED
				FEL/FWL		DEC 2 8 2012
(Married 1977)				FEL/FWL		KCC WICHITA
+				FEL/FWL		
			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.

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.

OPERATOR: License # 33365	_ Well Location:
Name: Layne Energy Operating, LLC	S2_SW_Sec. 2 Twp. 31 S. R. 16 X East West
Name: Layne Energy Operating, LLC Address 1: 1900 Shawnee Mission Parkway	County Montgomery
Address 2:	County: Montgomery Lease Name: FALKE Well #: 13-2
City: Mission Woods State: KS Zip: 66205 +	If filing a Form T 1 for multiple wells are a loose and the level 4
Contact Person: Victor H. Dyal	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Address 2:	_
Email Address:	· -
Surface Owner Information: Name: CINDI E YOUNG	_ When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1: 4739 CR 6400	sheet listing all of the information to the left for each surface owner. Surface
Address 2:	county, and in the real estate property tax records of the county treasurer.
City NEODESHA State KS 710, 66757	
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cat	hodic Protection Borehole Intent), you must supply the surface owners and
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cat the KCC with a plat showing the predicted locations of lease roads, ta	hodic Protection Borehole Intent), you must supply the surface owners and ank batteries, pipelines, and electrical lines. The locations shown on the plat on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cata the KCC with a plat showing the predicted locations of lease roads, to are preliminary non-binding estimates. The locations may be entered Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will be 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	thodic Protection Borehole Intent), you must supply the surface owners and ank batteries, pipelines, and electrical lines. The locations shown on the plat on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. B. Act (House Bill 2032), I have provided the following to the surface a located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form to being filed is a Form C-1 or Form CB-1, the plat(s) required by this , and email address.
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Catified KCC with a plat showing the predicted locations of lease roads, to are preliminary non-binding estimates. The locations may be entered Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will be 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.	thodic Protection Borehole Intent), you must supply the surface owners and ank batteries, pipelines, and electrical lines. The locations shown on the plat on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. B. Act (House Bill 2032), I have provided the following to the surface a located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this, and email address. I acknowledge that, because I have not provided this information, the owner(s). To mitigate the additional cost of the KCC performing this
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DEC 2 8 2012

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

KCC WICHITA