

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 10 **
☐ 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.: E-25488
Entire Project: ☐ Yes ☒ No
Number of Injection Wells 1
Field Name: Coffeyville - Cherryvale

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

Effective Date of Transfer: Jan. 12, 1997
KS Dept of Revenue Lease No.: 114953
Lease Name: Coats
 Sec. 3 Twp. 32 R. 17 ☒ E ☐ W
Legal Description of Lease: W 1/2 of the NE 1/4
County: Montgomery
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

 feet from ☐ N / ☐ S Line of Section
 feet from ☐ E / ☐ W Line of Section
☐ Haul-Off ☐ Workover ☒ Drilling

Past Operator's License No. Robert E. Housel - Landowner

Contact Person: Robert E. Housel

Past Operator's Name & Address:

Phone: 620-336-2961

Date: May 2, 2013

Title: Landowner

Oil + Gas Lease Attached Signature: Robert E. Housel

New Operator's License No. 6700 /

Contact Person: Rick Housel

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New Operator's Name & Address: Robert E. Housel

Phone: 620-252-8656

1030 E. 3rd St., Cherryvale, KS 67335

Oil / Gas Purchaser: Pacer

MAY 06 2013

Date: May 2, 2013

CONSERVATION DIVISION
WICHITA, KS

Title: Owner

Signature: Robert E. Housel

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.

Housel, Robert E. is acknowledged as
the new operator and may continue to inject fluids as authorized by

Permit No.: E-25488 Recommended action:

Permit was Cancelled 3-16-11 - Need

Date: 5-9-13 Application for Injection

Cheryl Esty 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	PRODUCTION	UIC
Mail to: Past Operator	<u>5/8/13</u>	<u>5-9-13</u>	<u>5-9-13</u>
New Operator	<u>5-9-13</u>	District	<u>3</u> <u>59-13</u>

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

Well Needs to be Shut IN - Unauthorized

* Lease Name: Coats

* 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.

CONSERVATION DIVISION
WICHITA, KS

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 # 6700
Name: Robert Hausel
Address 1: 1030 E. 3rd ST
Address 2: _____
City: Cherryvale State: KS Zip: 67335 + 1609
Contact Person: Robert Hausel
Phone: (620) 336-2961 Fax: (_____) _____
Email Address: _____

Well Location:
_____ W2 NE4 Sec. 3 Twp. 32 S. R. 17 ☒ East ☐ West
County: Montgomery
Lease Name: Coats Well #: _____

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

Surface Owner Information:

Name: Robert Hausel
Address 1: 1030 E. 3rd ST
Address 2: _____
City: Cherryvale State: KS Zip: 67335 + 1609

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: 2 May 13 Signature of Operator or Agent: Robert Hausel Title: Landowner

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

MAY 06 2013

CONSERVATION DIVISION
WICHITA, KS

OIL AND GAS LEASE

TRIBUNE PRINTING CO.
Independence, Kansas

AGREEMENT, Made and entered into 17 th day of January, 1997

by and between Gerald J. Coats and Doris E. Coats, Husband & Wife

of _____ party of the first part, hereafter called lessor (whether one or more)
and Robert E. Housel and Rose M. Housel, husband & wife, party of the second part, lessee,

WITNESSETH, That the said lessor, for and in consideration of One DOLLARS 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 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 product, all that certain tract of land situate in the County of Montgomery, State of Kansas, described as follows, to wit:

W/2 of NE/4

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MAY 06 2013

Lessee has an 8/8 ths lease

of Section 3 Township 34 Range 17 East and containing 80 acres, more or less.

CONSERVATION DIVISION
WICHITA, KS.

It is agreed that this lease shall remain in force for a term of _____ years from date, and as long thereafter as oil or gas or either of them, 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 off the premises, said payments to be made monthly and lessor to have gas free of cost from any such well for all stoves 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 off the premises, or for the manufacture of casinghead gas 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 _____

If no well be commenced on said land on or before the _____ day of _____, 19____, 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 _____ or its successors, which shall continue as the depository regardless of changes in ownership of said land, the sum of _____ DOLLARS, which sum shall operate as a rental and cover the

privilege of deferring the commencement of a well for _____ 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 date when said first rental is payable as 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 the last rental period 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 paragraph 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 his 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 the heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals of royalties shall be binding on the lessee until after notice to the lessee and it has been furnished with the written transfer or assignment or a certified copy thereof.

If the leased premises shall hereafter be owned in severalty or in separate tracts, the premises, nevertheless, shall be developed and operated as one lease and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land is covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that, in the event this lease shall be assigned as to a part or as to parts of the above described land, and the holder or owner of any such part or parts shall fail to make default in the payment of the proportionate part of the rent 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 land upon which the said lessee or any assignee hereof shall make due payment of said rentals. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and their respective successors in title.

STATE OF KANSAS,

COUNTY OF Montgomery

SS.

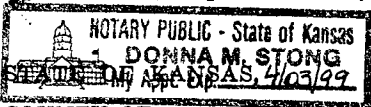
ACKNOWLEDGEMENT

BE IT REMEMBERED, That on this 17th day of January in the year of our Lord one thousand nine hundred and ninety seven before me, a Notary Public in and for said County and State, came Gerald J. Coats and Doris E. Coats

to me personally known to be the identical person S 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 4/03/99



SS.

ACKNOWLEDGEMENT

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.

STATE OF KANSAS,

COUNTY OF _____

SS.

OKLAHOMA FORM OF ACKNOWLEDGEMENT

Before me, the undersigned a Notary Public, in and for said County and State, on this _____ day of _____, 19____, personally appeared _____

to me known to be the identical person _____ who executed the within and foregoing instrument 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 the day and year last above written.

My commission expires _____

Notary Public.

OIL AND GAS LEASE

FROM

TO

Date _____, 19____

Section _____, Township _____, Range _____

No. of Acres _____ Term _____

County, _____

Term _____

STATE OF KANSAS,

COUNTY OF _____

SS.

This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in book _____ page _____ of the records of this office.

Register of Deeds.

By _____

When recorded return to _____

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MAY 06 2013

CONSERVATION DIVISION
WICHITA, KS

For Acknowledgement by mark, use regular Kansas Acknowledgement.

STATE OF KANSAS,

COUNTY OF _____

SS.

ACKNOWLEDGEMENT

BE IT REMEMBERED, That on this _____ day of _____ in the year of our Lord one thousand