

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

101811_Morris_INJ.pdf

used GPS on a 11
Locarland

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 22 21 oil **
☐ 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-27,922.1
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 1 **

Field Name: Fredonia Unnamed

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

Effective Date of Transfer: 18th of October, 2011

KS Dept of Revenue Lease No.: 124135 ✓

Lease Name: Morris

_____ Sec. 3 Twp. 30 R. 15 ☒ E ☐ W

Legal Description of Lease: NW & SW lying North of Fall River S3 T30S R15E

County: Wilson RECEIVED
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Production Zone(s): Bartlesville **OCT 03 2013**

Injection Zone(s): Bartlesville CONSERVATION DIVISION
WICHITA, KS

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover OL ☐ Drilling

Past Operator's License No. Oil & Gas lease attached

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Date: _____

Signature: _____

New Operator's License No. 5409 ✓

Contact Person: Bryan Marshall

New Operator's Name & Address: Marshall, Lew L.

Phone: (620) 750-0058

314 E 1st P.O. Box 306

Oil / Gas Purchaser: Plains Marketing Kelly MacLuskey

Eureka, KS 67045

Date: 9-30-13

Title: _____

Signature: Bryan E Marshall

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.

MARSHALL, LEW L is acknowledged as

the new operator and may continue to inject fluids as authorized by

Permit No.: E-27.922 . Recommended action: Violation

Need U3C's for 2011-2012

Date: 10-10-13 Cheryl & Bryan

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 10/9/13 PRODUCTION 10-17-13 UIC 10-10-13
Mail to: Past Operator 10-10-13 New Operator 10-10-13 District 3 10-10-13

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

Must Be Filed For All Wells

used GPS on all locations

KDOR Lease No.: 124135

* Lease Name: Morris

* Location: S3 T30 R15E

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	15-205-20654 ✓	3532 ^{Circle} (FSL) FNL 4909 ^{Circle} (FEL) FWL	Oil	Producer
2	15-205-20655 ✓	2456 (FSL) FNL 4043 (FEL) FWL	Oil	Producer
3	15-205-20656 ✓	2346 (FSL) FNL 3424 (FEL) FWL	Oil	Producer
4	15-205-20827 ✓	4485 (FSL) FNL 5122 (FEL) FWL	Oil	Producer
5	15-205-20828 ✓	4488 (FSL) FNL 4460 (FEL) FWL	Oil	Producer
6	15-205-20829-0001 ✓	3542 (FSL) FNL 4377 (FEL) FWL	Inj (EOR)	Active
7	15-205-20894-0002 ✓	4469 (FSL) FNL 5146 (FEL) FWL	Oil	Producer
8	15-205-20917 ✓	4798 (FSL) FNL 4779 (FEL) FWL	Oil	Producer
9	15-205-21672 ✓	4488 (FSL) FNL 3799 (FEL) FWL	Oil	Producer
10	15-205-21673 ✓	4474 (FSL) FNL 3145 (FEL) FWL	Oil	Producer
11	15-205-21674 ✓	3845 (FSL) FNL 3153 (FEL) FWL	Oil	Producer
12	15-205-22143 ✓	4825 (FSL) FNL 4134 (FEL) FWL	Oil	Producer
13	15-205-22144 ✓	4178 (FSL) FNL 4140 (FEL) FWL	Oil	Producer
14	15-205-22596 ✓	2900 (FSL) FNL 4108 (FEL) FWL	Oil	Producer
15	15-205-22597 ✓	3001 (FSL) FNL 4761 (FEL) FWL	Oil	Producer
16	15-205-23059 ✓	3559 (FSL) FNL 3507 (FEL) FWL	Oil	Producer
17	15-205-23110 ✓	2337 (FSL) FNL 4754 (FEL) FWL	Oil	Producer
18	15-205-23113 ✓	1675 (FSL) FNL 4780 (FEL) FWL	Oil	Producer
19	15-205-23593 ✓	4774 (FSL) FNL 5124 (FEL) FWL	Oil	Producer
20	15-205-23605 ✓	3263 (FSL) FNL 5091 (FEL) FWL	Oil	Producer
21	15-205-23662 ✓	4095 (FSL) FNL 5113 (FEL) FWL	Oil	Producer
22	15-205-23711 ✓	1953 (FSL) FNL 5069 (FEL) FWL	Oil	Producer
23	15-205-23919 ✓	2623 (FSL) FNL 5091 (FEL) FWL	Oil	Producer
		FSL/FNL FEL/FWL		

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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.

OCT 03 2013

CONSERVATION DIVISION
WICHITA, KS

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: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 5409
Name: Marshall, Lew L.
Address 1: 314 E 1st P.O. Box 306
Address 2: _____
City: Eureka State: KS Zip: 67045 + _____
Contact Person: Bryan Marshall
Phone: (620) 750-0058 Fax: (_____) _____
Email Address: _____

Well Location:
_____ Sec. 3 Twp. 30 S. R. 15 ☒ East ☐ West
County: Wilson
Lease Name: Morris Well #: _____

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

**NW & SW lying North of Fall River S3 T30S
R15E**

Surface Owner Information:

Name: Tonya & Charl Hill
Address 1: 600 Washington St.
Address 2: _____
City: Fredonia State: KS Zip: 66736 + _____

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: 9-30-13 Signature of Operator or Agent: Bryan Marshall Title: POA Manager

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COPY

OIL AND GAS LEASE

AGREEMENT, made and entered into this 18th day of October, 2011 by and between Tonya Hill and Charl Hill, aka Charl P. Hill, wife and husband, whose mailing address is:

600 Washington St. Fredonia, KS 66736

hereinafter called Lessors, and Marshall and Handley, a partnership consisting of Bryan Marshall and Jerry Handley, whose mailing address is:

Bryan Marshall Jerry Handley
867 River Rd. 1620 Madison
Eureka, KS 67045 Eureka, KS 67045

hereinafter called Lessee.

Lessors, in consideration of Ten Dollars (\$10.00) in hand paid, receipt of which is hereby acknowledged, and of the royalties herein provided and the agreements of the Lessee herein contained, hereby grant, lease and let exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, the following-described land, together with any reversionary rights and after-acquired interest therein, and all accretions thereto, situated in the County of Wilson, State of Kansas, to-wit:

Lots 2, 3 and 4, being all of the Northwest Quarter (NW/4) and all of the Southwest Quarter (SW/4) lying North of Fall River, less railroad right-of-way, in Section 3, Township 30 South, Range 15 East

consisting of 18.3 acres, more or less.

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land, or land with which said land is pooled.

In consideration of the premises, Lessee covenants and agrees:

1. To deliver to the credit of Lessors, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal five thirty-seconds (5/32) part of all oil produced and saved from the lease premises.
2. To pay to Lessors for gas of whatever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, five thirty-seconds (5/32) of the market price at the well (but, as to gas sold by Lessee, in no event more than five thirty-seconds (5/32) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender to Lessors as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, payable annually at the end of each year during which gas is not sold or used, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.
3. This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 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 primary term first mentioned.
4. If said Lessors own a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessors only in the proportion which Lessors' interest bears to the whole and undivided fee.
5. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations thereon, except water from the wells of Lessors.
6. When requested by Lessors, Lessee shall bury Lessee's pipe lines below plow depth.
7. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessors.
8. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.
9. 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 or assigns of such party, but no change in the ownership of the land or assignment of royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. 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.

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CONSERVATION DIVISION
WICHITA, KS

10. If the lease premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each 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 land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.


11. Lessee may at any time execute and deliver to Lessors or place of record a release or releases covering any portion or portions of the above-described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

12. 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 is prevented by, or if such failure is the result of, any such law, order, rule or regulation.

13. Lessors hereby warrant and agree to defend the title to the lands herein described, and agree that the Lessee shall have the right at any time to redeem for Lessors by payment any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessors, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of royalties elsewhere herein specified, Lessors shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of their acreage placed in the unit or their royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

IN WITNESS WHEREOF, Lessors have executed this Oil and Gas Lease the day and year first above written.


Tonya Hill

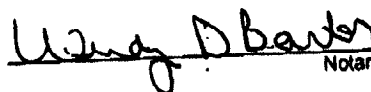

Charl Hill, aka Charl P. Hill

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss.
COUNTY OF WILSON)

Before me, the undersigned notary public, on this 18 day of October, 2011, personally appeared Tonya Hill and Charl Hill, aka Charl P. Hill, wife and husband, who acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires: 3-31-13


Notary Public

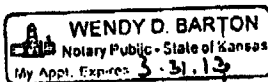


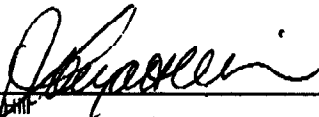
EXHIBIT A

Notwithstanding the provisions contained in this lease to the contrary, the following conditions, modifications and reservations shall apply:

1. Lessee will pay \$400.00 per location as a result of drilling operations per new location.
2. Lessee will maintain a road for egress and ingress at its own expense. Lessee will consult with Lessors before laying any lead lines, installing any permanent fixtures, constructing gas compression facilities, or erecting storage tanks to maximize utilization of said lands. When the route and location of described operations are agreed to, then the parties agree to execute a recordable instrument setting forth the location of any facilities, roadways and flow lines.
3. Lessee agrees to grade, level and return land damaged by operations under this lease as nearly as reasonably possible to its original condition.
4. Lessee agrees to conduct its operations in accordance and compliance with applicable Kansas Corporation Commission rules and regulations.
5. Lessee will immediately take possession of the property exercising full dispatch, and post signs of the new operator and secure all points of entry to prevent theft of existing equipment.
6. Lessee will not assign, transfer or deliver operations of this lease to a third party without written permission of Lessors, which permission shall not be unreasonably withheld.

The terms and conditions herein shall be considered covenants running with this lease and the lands subject hereto, and shall be binding upon the parties hereto upon execution below.

LESSOR



Tonya Hill



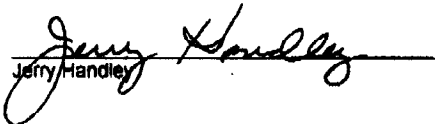
Charl Hill, aka Charl P. Hill

LESSEE

Marshall and Handley, a partnership



Bryan Marshall



Jerry Handley