

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 6 **
- ☐ 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.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**Effective Date of Transfer: 4/29/13KS Dept of Revenue Lease No.: 116767 ✓Lease Name: Dexter (Ballew - old lease name)_____ Sec. 13 Twp. 32 R. 12 ☒ E ☐ WLegal Description of Lease: NE/4 and NW/4 and SW/4County: Chautauqua

Production Zone(s): _____

Injection Zone(s): _____

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(API No. if Drill Pit, WO or Haul)_____ feet from ☐ N / ☐ S Line of Section_____ feet from ☐ E / ☐ W Line of SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover of ☐ DrillingPast Operator's License No. New Lease AgreementPast Operator's Name & Address: Please see attached Agreement

Title: _____

Contact Person: _____

Phone: _____

Date: _____

Signature: _____

New Operator's License No. 4448 ✓New Operator's Name & Address: Perkins Oil Enterprises Inc

P.O. Box 707

Howard, KS 67349

Title: OwnerContact Person: James R. PerkinsPhone: 620-374-2133Oil / Gas Purchaser: Maclasley Oilfield ServicesDate: 11/14/13Signature: James R. Perkins

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 11/27/13 PRODUCTION 12-3-13 UIC 12-2-13
Mail to: Past Operator _____ New Operator _____ District _____

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

* Lease Name: Dexter (Ballew - old lease name) * Location: T32S R12E S13

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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.

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**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 # 4448
Name: Perkins Oil Enterprises, Inc.
Address 1: P.O. Box 707
Address 2: _____
City: Howard State: KS Zip: 67349 + _____
Contact Person: James R. Perkins
Phone: (620) 374-2133 Fax: (620) 374-2134
Email Address: jrperkins@sktc.net

Well Location:
_____-_____-_____- Sec. 13 Twp. 32 S. R. 12 ☒ East ☐ West
County: Chautauqua
Lease Name: Dexter (Ballew) Well #: 1,2,3,4,5,6

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

NE/4 and NW/4 and SW/4

Surface Owner Information:

Name: William Dexter Trust / Margaret Dexter Trust
Address 1: 2609 Yaeger Drive
Address 2: _____
City: Winfield State: KS Zip: 67156 + _____

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: 11-14-2013 Signature of Operator or Agent: [Signature] Title: President

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DANA L. GORMAN
ATTORNEY AT LAW

SHARING OFFICES WITH
JON R. VIETS

SUITE 604, PROFESSIONAL BUILDING
P.O. BOX 1176
INDEPENDENCE, KANSAS 67301
PHONE: 620-331-0144
FAX: 620-331-1808

April 29, 2013

DIVISION ORDER OPINION

McClaskey Oilfield Services, Inc.
ATTN: Division Order Dept.
P.O. Box 222
El Dorado, KS 67042

James R. Perkins Energy, LLC
Bar M Holdings, LLC
P.O. Box 707
Howard, KS 67349

RE: Dexter Trust Lease
T32S, R12E, Chautauqua County, Kansas
Section 12: S/2 SE/4 lying South and East of County Road
Section 13: NE/4 and NW/4 and SW/4, less tract out of SW/4
Section 23: NE/4 lying North and West of County Road
Section 24: NW/4 lying North and West of County Road
(For legal description of the subject property, please see Exhibit "A"
attached hereto)

Gentlemen:

This is to certify that I have examined the land and lease transfer records with respect to the above-described property for the period of time from the U.S. Government Patent down to April 29, 2013, at 7:00 o'clock a.m. and the uniform commercial code filings in the Chautauqua County Register of Deeds office; the ad valorem tax records in the office of the Chautauqua County Treasurer; and the Mechanic's Lien and Plaintiff/Defendant Indexes in the office of the Clerk of the Chautauqua County District Court as of said date.

My examination has been conducted to determine the division of revenue interests in the proceeds of oil and gas produced from the subject property. Based on the examination, my opinion is as follows:

I. FEE TITLE

Fee title is vested as follows:

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<u>OWNERS</u>	<u>SURFACE</u>	<u>MINERALS</u>
William Wayne Dexter, Trustee of the William Wayne Dexter Revocable Trust dated March 31, 1999	1/2	1/2
Margaret Jane Dexter, Trustee of the Margaret Jane Dexter Revocable Trust dated March 31, 1999	1/2	1/2

NOTE I: Fee title is shown above as per deeds dated June 23, 1999, September 4, 2002, and September 28, 2006. Subsequently, William Wayne Dexter has died. His widow, Margaret Jane Dexter is serving as the Successor Trustee of the William Wayne Dexter Revocable Trust.

NOTE II: The leased property includes almost all of the SW/4 of Section 13, but does not include that portion of said SW/4 lying both South of the County Road and North of the creek.

II. MORTGAGES, ENCUMBRANCES

There are no mortgages or other encumbrances of record with respect to fee title.

III. OIL AND GAS LEASES

The following described oil and gas lease appears of record:

LESSOR:	Trustee of the William Wayne Dexter Revocable Trust dated March 31, 1999, and Trustee of the Margaret Jane Dexter Revocable Trust dated March 31, 1999
LESSEE :	Clark Energy, LLC
DATE :	August 2, 2011
RECORDED:	Book 155, Page 276
PRIMARY TERM :	Three years
PROPERTY:	See Exhibit "A", attached hereto
DELAY RENTAL :	Paid up
ROYALTY :	1/8 th
SHUT-IN ROYALTY:	\$10.00 per year per net mineral acre
LESSER INTEREST	
CLAUSE :	Yes
ENTIRETY CLAUSE:	Yes
POOLING/UNITIZATION:	N/A
SPECIAL:	-\$500 per well and per tank battery as location damages. -Limited lease roads.

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- Lease includes conditional pipeline easement.
- No drilling within 300 feet of any improvement or pond.

There appears of record a Trustee's Affidavit by Margaret Jane Dexter Clock (f/k/a Margaret Jane Dexter) dated October 25, 2012, showing that she is the Trustee or Successor Trustee of both Trusts and confirming her authority as Trustee to grant the oil and gas lease without any qualification whatsoever.

By virtue of Assignment and Bill of Sale dated August 31, 2011, title to this lease (and a pair of road easements through adjacent lands) is vested in James R. Perkins Energy, LLC and Bar M Holdings, LLC. By Stipulation of Interest dated September 22, 2011, the respective interests of the owners are as follows:

<u>Interest Owner</u>	<u>Working Interest</u>	<u>Net Revenue Interest</u>
James R. Perkins Energy, LLC	75.0%	.65625000
Bar M Holdings, LLC	<u>25.0%</u>	<u>.21875000</u>
	100.0%	.87500000

The proceeds of oil and gas produced from these lands under this lease are payable as follows:

<u>OWNERS</u>	<u>INTEREST</u>	<u>N.R.I.</u>
Margaret Jane Dexter Clock, Trustee of the William Wayne Dexter Revocable Trust dated March 31, 1991	RI	.06250000
Margaret Jane Dexter Clock, Trustee of the Margaret Jane Dexter Revocable Trust dated March 31, 1991	RI	.06250000
James R. Perkins Energy, LLC	WI (75%)	.65625000
Bar M Holdings, LLC	WI (25%)	.21875000

REQUIREMENTS:

None.

NOTE: It is not necessary for division of revenue purposes, but I recommend that the Lessees, or one of them, record an Affidavit of Production pursuant to KSA 55-205 showing the lease to be held in force by production, that the lessee was in possession and said lessee was entitled to remain in possession as long as oil or gas is produced.

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IV. EASEMENTS, RIGHTS OF WAY

A. There appears of record a Right of Way dated July 9, 1916, in favor of The Gas Pipe Line Corporation for oil and gas pipelines over and across the NW/4, Section 24. The right of way has been assigned to Union Gas Corporation.

B. There appears of record a Right of Way dated March 20, 2009, in favor of Rural Water District No. 4 for water lines and related equipment over and across the NW/4, Section 24 lying North and West of the County Road. The right of way is 30 feet wide.

C. There appears of record a Right of Way dated March 20, 2009, in favor of Rural Water District No. 4 for water lines and related equipment over and across the NE/4, Section 23 lying North and West of the County Road. The right of way is 30 feet wide.

D. There appears of record a Right of Way dated July 26, 1916, in favor of Sachem Oil Company for oil and gas pipelines over and across the NW/4, Section 13.

E. There appears of record a Right of Way Easement dated August 23, 1991, in favor of Chautauqua County for road maintenance, including the removal and piling of trees, brush and fence along the East side of the SW/4, Section 13, West of the County Road.

F. There appears of record a Right of Way Easement dated May 18, 2005, in favor of Rural Water District No. 4 for water lines and related equipment over and across the E/2 E/2 NW/4 and E/2 E/2 N/2 SW/4, Section 13.

G. There appears of record a Right of Way Easement dated April 12, 2006, in favor of Chautauqua County to remove and pile trees, brush and fence along the West side of County Road 27 in the NW/4, Section 13.

H. There appears of record a Right of Way Easement dated March 20, 2009, in favor of Rural Water District No. 4 for water lines over and across the SE/4 SW/4, Section 13, and other lands.

V. MISCELLANEOUS

A. This opinion excepts all instruments filed in the office of the Secretary of State of the State of Kansas under the Uniform Commercial Code. Filings in that office may serve to perfect the security interests of creditors in equipment, inventory, accounts and contract rights.

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B. This opinion excludes those matters which would be disclosed by assessment of the subject property by a licensed engineer qualified to conduct preliminary environmental assessments.

C. You should assure yourself that no work has been performed or materials furnished for the improvement of the oil and gas leasehold estate within the last six (6) months and that no oil field equipment, labor or materials have been transported within the last 120 days which might form the basis of an unfiled mechanic's or transporter's lien.

D. Ad valorem taxes on the subject property for the first half of 2012 and all prior years are shown paid in full. Taxes for the second half of 2012 are not due until May 10, 2013.

E. You should inspect the property and assure yourself that no one in possession claims an interest therein adverse to the record interest owner, that any easements or right of ways do not effect the scope of your intended operations, that there are no encroachments that would be shown by survey, and that drilling or production operations do not violate any County, State or Federal rule, regulation, ordinance or statute.

SUMMARY

Based on the examination, it is my opinion that upon satisfaction of the Requirements and subject to the other matters herein noted, the proceeds of oil and gas produced from this property are payable according to the Net Revenue Interests ("N.R.I.") set forth in Part III of the opinion, above.

Respectfully Submitted,



Dana L. Gorman

DLG/bo

Attachment

cc: Jon R. Viets

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EXHIBIT "A"

Township 32S, Range 12E, Chautauqua County, Kansas

Section 12: S/2 SE/4 lying South and East of the County Road;
67.1 acres more or less

Section 13: NE/4; NW/4; a tract of land in the SW/4 described
as Beginning at the NE/Corner of the SW/4, thence
West on the half section line to the middle of the
North line of the NE/4 SW/4, thence South to the
middle of the channel of a creek, thence
Southeasterly down the channel of said creek to the
center line of the County Road, thence
Northeasterly along the center line of said County
Road to the half section line of said Section 13,
thence continuing North along the half section line
of said Section 13 to the point of beginning; AND a
tract of land described as follows: Commencing at
the NW/Corner of the SW/4 of Section 13, running
thence East 120 rods, thence South to the Creek,
thence Southeasterly down said Creek to the East
line of the SW/4, thence West to the SW/Corner of
the SW/4, thence North to the place of beginning;
471.8 acres more or less

Section 23: All that part of the NE/4 lying North and West of
County Road; 142.1 acres more or less

Section 24: All that part of the NW/4 lying North and West of
County Road; 33.5 acres more or less,

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