

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 4 **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☒ Saltwater Disposal Well - Permit No.: D21805
- Spot Location: 5152 feet from ☐ N / ☒ S Line
- 2306 feet from ☒ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: Combat Chance**** Side Two Must Be Completed.**Effective Date of Transfer: 12/2/13KS Dept of Revenue Lease No.: 116480Lease Name: Johnson_____ e2 Sec. 10 Twp. 26 R. 19 ☒ E ☐ WLegal Description of Lease: East half of section 10 in twp 26 R 19ECounty: allenProduction Zone(s): bartlesvilleInjection Zone(s): MississippiSurface Pit Permit No.: _____
(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 OK ☐ DrillingPast Operator's License No. 314701

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Date: DEC 09 2013Signature: RECEIVEDNew Operator's License No. 32595Contact Person: Garret BrownNew Operator's Name & Address: MSG Resources Inc.Phone: 62022283517975 1400 stOil / Gas Purchaser: pacerIola, KS 66749Date: 21/2/13Title: OwnerSignature: Garret Brown

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.

MSG Resources Inc. is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: D-21805 . Recommended action: Violation
Need U3CS for 2007-2013
Date: 12-16-13 Charles B. Beyer
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 DEC 17 2013 UIC 12-16-13
Mail to: Past Operator 12-16-13 New Operator 12-16-13 District (3) 12-16-13

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

* Lease Name: Johnson

* Location: E/2 10-26-19 Allen co

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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.

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 # 32595
Name: MSG Resources
Address 1: 975 1400 st
Address 2: _____
City: iola State: ks Zip: 66749 + _____
Contact Person: Garret Brown
Phone: (620) 228-3517 Fax: (_____) _____
Email Address: brown.garret@gmail.com

Well Location:
_____ - _____ - E/2 Sec. 10 Twp. 26 S. R. 19 ☒ East ☐ West
County: Allen
Lease Name: Johnson 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: Arnold Lee and Nina Lee Johnson
Address 1: 490 2600 st
Address 2: _____
City: elsmore State: KS Zip: 66732 + _____

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: 12/2/13 Signature of Operator or Agent: Denise Brown Title: owner

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ALLEN COUNTY, KS

CARA BARKDOLL, REGISTER OF DEEDS

OIL AND GAS LEASE

THIS AGREEMENT, entered into this the 1st day of October 2013, between Nina Johnson, hereinafter called Lessor, and Garrett Brown, dba, MSG Resources, Inc., hereinafter called Lessee, does witness:

1. That Lessor, for and in consideration of the sum of ten and no/100 dollars (\$10.00), in hand paid, and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted and leased and hereby grants, leases and lets unto the Lessee for the purpose of operating for and producing oil and gas, casinghead gas and casinghead gasoline, laying pipe lines, building tanks, storing oil, thereon to produce, save, take care of and manufacture all of such substances, the following described tract of land in Allen County, Kansas to-wit:

East Half (E/2) of Section Ten (10), Township Twenty-six (26), Range Nineteen (19) East, in Salem Township in Allen County, Kansas;

2. This lease shall remain in force for a term of one (1) years from the date of execution, and as long thereafter as oil, gas, casinghead gas, casinghead gasoline, or any of them is produced.

3. The Lessor has the option to use natural gas for domestic purposes at his own expense, so long as it does not interfere with the oil production.

4. The Lessee shall deliver to the credit of the Lessor as royalty, free of cost, in the pipe line to which Lessee may connect its wells three-sixteenth (3/16) part of all oil produced and saved from the leased premises, or at the Lessee's option, may pay to the Lessor for such three-sixteenth (3/16) royalty, the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line, or into storage tanks.

5. The Lessee shall pay Lessor as royalty on gas marketed from each well where gas only is found, three-sixteenth (3/16) of the proceeds if sold at the well, or if marketed by Lessee off the leased premises, then three-sixteenth (3/16) of its market value at the well. The Lessee shall pay the Lessor: (a) three-sixteenth (3/16) of the proceeds received by the Lessee from the sale of casinghead gas, produced from any oil well; (b) three-sixteenth (3/16) of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas, produced from any oil well and used by Lessee off the leased premises for any purpose or used on the leased premises by the Lessee for purposes other than the development and operation thereof.

6. In case 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 for shall be paid to said Lessor only in the proportion which their interests bear to the whole and undivided fee.

7. The Lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon.

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8. If the estate of either party hereto is assigned, 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 or 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.

9. 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 covered by this lease may be hereafter divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

11. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if Lessee shall commence drilling operations at any time while this lease is in force, this lease shall remain in force and its term shall continue as long as such operations are prosecuted, and, if production results therefrom, then as long as production continues.

12. It is agreed, however, that the completion of a well producing or capable of producing gas, upon the property hereinabove described, or the inclusion of such property in a consolidation unit producing or capable of producing gas as provided by paragraph number 9 hereof, shall constitute full and complete development with respect to the gas leasehold estate hereby granted. If, upon, or after the expiration of the primary term of this lease, the well or wells on the leased premises, or on the consolidated gas leasehold estate, shall be incapable of producing, this lease shall not terminate provided Lessee resumes operations for drilling a well on the leased premises or on the consolidated gas leasehold estate within 120 days from such cessation, and this lease shall remain in force during the prosecution of such operations, and, if production results therefrom, then as long as production continues.

13. It is contemplated and agreed by both Lessor and Lessee that this lease shall at all times and in all respects be subject to valid orders, rules and regulations of any duly constituted authority having jurisdiction of the subject matter hereof.

14. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all the heirs, grantees, administrators or assigns of said Lessor or Lessee and the Lessee has the specific right to assign this lease.

15. Lessor reserves all rights to grant, lease, mine and/or produce any minerals from said lands except interests in gas and oil and their constituent products herein leased to Lessee.

16. (a) Lessee agrees that it will comply with all regulations and statutes of all governmental entities having jurisdiction over compliance with environmental legislation.

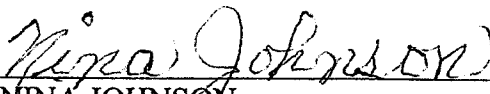
(b) Lessee shall indemnify and hold Lessor harmless from any claims, damages, actions or causes of action from any environmental damage or contamination caused or contributed to by Lessee subsequent to the commencement of this lease.

17. This lease and all its terms, conditions and stipulations shall extend to and be binding on all of the heirs, administrators, executors, trustees, successors and assigns of the Lessor and Lessee.


IN WITNESS WHEREOF, we sign the day and year first above written.

Witness:

"LESSOR"


NINA JOHNSON

"LESSEE"


Garrett Brown, dba, MSG Resources, Inc.

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STATE OF KANSAS, COUNTY OF ALLEN, ss:

Before me, the undersigned, a Notary Public, within and for said county and state, on this 4th day of October 2013, personally appeared NINA JOHNSON, who is personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

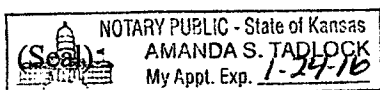


Judith C. Thompson
Notary Public

STATE OF KANSAS, COUNTY OF ALLEN, ss:

Before me, the undersigned, a Notary Public, within and for said county and state, on this 3rd day of October 2013, personally appeared Garrett Brown, dba, MSG Resources, Inc., who are personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.



Amanda S. Tadlock
Notary Public



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CARA BARKDOLL, REGISTER OF DEEDS
ALLEN COUNTY, KS

2013-1609

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ORIGINAL COMPARED WITH RECORD

DATE RECORDED: 10/07/2013 04:23:06PM ✓
MTG INDEBT: 0.00 RECEIPT#: 11438

REC FEE: \$ 12.00
TECH FEE: \$ 8.00

ORIGINAL COMPARED WITH RECORD



* 2 0 1 3 - 1 6 0 8 - 2 *

CARA BARKDOLL, REGISTER OF DEEDS

ALLEN COUNTY, KS

2013-1608

DATE RECORDED: 10/07/2013 04:23:05PM ✓

MTG INDEBT: 0.00 RECEIPT#: 11438

REC FEE: \$ 8.00

TECH FEE: \$ 4.00

AFFIDAVIT OF NON-PRODUCTION

To: Tri-L Oil Company
Harley D. Laver
2361 Minnesota Road
LaHarpe, KS 66751

STATE OF KANSAS, COUNTY OF ALLEN, ss:

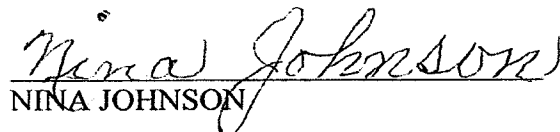
Nina Johnson, a single person, of lawful age, being first duly sworn on her oath, states that she is familiar with the following described property, to wit:

The East Half (E/2) of Section Ten (10), Township Twenty-six (26), Range Nineteen (19) East, in Salem Township in Allen County, Kansas;

which property is owned by said Nina Johnson.

Affiant knows of her own knowledge that there is at present no production of oil or gas on said land and that there has been no production of oil or gas on said land, and that Affiant has received no rental or royalty payments for this or unitized acreage. Under the terms of the oil and gas lease held by the above named persons said lease should be forfeited for non-production.

Affiants further saith not.


NINA JOHNSON

KCC WICHITA

DEC 09 2013

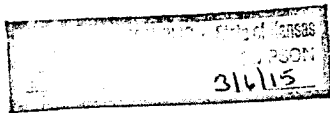
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ACKNOWLEDGMENT

STATE OF KANSAS, COUNTY OF ALLEN, ss:

Before me, the undersigned, a Notary Public, within and for said County and State on this 4th day of ~~September~~ ^{October} 2013, personally appeared Nina Johnson, a single person, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as a free and voluntary act and deed for the uses and purposes therein set forth, and at the same time the affiant was by me duly sworn to the foregoing Affidavit of Non-Production.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.



Judith C. Thompson
Notary Public

KCC WICHITA

DEC 09 2013

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