

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

082103-Starks.pdf

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 _____ **
- ☒ Gas Lease: No. of Gas Wells 9 **
- ☐ 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: 8/21/2003

KS Dept of Revenue Lease No.: 212787 ✓

Lease Name: STARKS

Sec. 1 Twp. 19 R. 6 ☒ E ☐ W

Legal Description of Lease: SE/4 Sec 1, Twp 19S R 6 E;
SW/4 Sec 6-Twp 19S R7E; NE/4 Sec 12 Twp 19S R 6 E
NW/4 Sec 7, TWP 19S R7E

County: Chase

Production Zone(s): _____

Injection Zone(s): _____

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

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

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

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

SEE NEW LEASE ATTACHED

Date: SEE NEW LEASE ATTACHED

Title: _____

Signature: _____

New Operator's License No. 5192 ✓

Contact Person: Craig E. Settle

New Operator's Name & Address: Shawmar Oil & Gas Co., Inc. Phone: (620)38202932

PO Box 9

Oil / Gas Purchaser: Shawmar Oil & Gas Co., Inc./

1116 E Main

Date: 1/8/2014

Title: President

Signature: Craig Settle

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 1/13/14 PRODUCTION 1.14.14 UIC 1-14-14
Mail to: Past Operator _____ New Operator _____ District _____

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

KCC WICHITA

JAN 10 2014

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* Location: SE/4 1-19S-6E; SW/4 6-19S-7E;
NE/4 12-19S-6E; NW/4 7-19S-7E

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KCC WICHITA
JAN 10 2014
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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

**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 # 5192
Name: Shawmar Oil & Gas Company, Inc.
Address 1: PO Box 9
Address 2: 1116 E Main
City: Marion State: KS Zip: 66861
Contact Person: Craig E. Settle
Phone: (620) 382-2932 Fax: (620) 382-2967
Email Address: craig@shawmar.com

Well Location:
____ Sec. ____ Twp. ____ S. R. ____ ☐ East ☐ West
County: Chase
Lease Name: STARKS Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
SE/4 1-19S-6E; SW/4 6-19S-7E; NE/4 12-19S-6E
NW/4 7-19S-7E

Surface Owner Information:

Name: Donna Starks
Address 1: Route 1 Box 47
Address 2: _____
City: Elmdale State: KS Zip: 66850 +

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: 1/8/2014 Signature of Operator or Agent: Craig Settle Title: President

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EXHIBIT A
OIL & GAS LEASE
LESSEE: Harvey E & Donna C. Starks
LESSOR: Shawmar Oil & Gas Co., Inc.

- (1) A 3/16 Royalty interest for any existing production restarted.
- (2) A 1/8 Royalty interest for any new production from new exploration.
- (3) Production depth of 1' to 2400'.
- (4) A \$500.00/site ingress/egress damages on each new location selected.
- (5) Will not bother well going for the house.
- (6) Will review and repair problems with existing pipeline system.
- (7) Will use best efforts to restore land to original condition.
- (8) Upon abandonment of leases sufficient gas production will be left to maintain the homes on this property.

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JAN 10 2014

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B

OIL AND GAS LEASE

(b)

Reorder No.
09-133

KANSAS BLUE PRINT CO. INC.

316-264-9344 • P.O. Box 793 • Wichita, KS 67201-0793

Commence

AGREEMENT, Made and entered into this 21st day of August, 192003
by and between Harvey S. Starks and Donna C Starks, husband and wife of
Route 1, Box 47, Elmdale, KS. 66850

Party of the first part, hereinafter called lessor (whether one or more) and
Shawmar Oil & Gas Co., Inc.

Part y of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of \$3,200.00 DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the
part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise,
lease and let unto said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and
building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of
land situated in the County of Chase State of Kansas, described as follows, to-wit:
Southeast Quarter (SE/4) of Sec. 1, T 19S, Range 6E (160 acres),
Southwest Quarter (SW/4) of Sec. 6, T 19S, Range 7E (160 acres),
Northeast Quarter (NE/4) of Sec. 12, T 19S, Range 6E (160 acres),
Northwest Quarter (NW/4) of Sec. 7, T 19S, Range 7E (160 acres)

of Section 1-12-7-6 Township 19S Range 6E & 8E and containing 640 acres more or less.

It is agreed that this lease shall remain in full force for a term of 2 (two) years from this 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 lessee 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, (but, as to gas sold by lessee, in no event more than one-eighth ($\frac{1}{8}$) of the proceeds received by lessee from

such sales), for all gas used off the premises, said payments to be made
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 casing-head
gasoline, one-eighth ($\frac{1}{8}$) of the proceeds at the prevailing market rate, (but, as to gas sold by lessee, in no event more than one-
eighth ($\frac{1}{8}$) of the proceeds received by lessee from such sales), 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 1st day of September, 2005
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 the ownership of said land, the sum of
\$1,600.00 DOLLARS, which shall operate as a rental and cover the privilege of defer-

ring the commencement of a well for Twelve (12) 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 or 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 the 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 com-
menced on said land within twelve months from the expiration of the last rental period for 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, and the signing of this agreement shall be binding on each of the above named parties who sign, regardless of
whether it is signed by any of the other parties.

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 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 pay-
ing quantities, this lease shall continue and be in force with the 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 their heirs, executors, administrators, successors or assigns, but no change in the ownership of
the land or assignment of rentals or 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; and it is hereby agreed in the event this lease shall be assigned as to a
part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default
in the payment of the proportionate part of the rents 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 lands upon which the said lessee or any assignee thereof shall make due

No. 700

OIL AND GAS LEASE

FROM

TO

Date _____, 19____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas

County Chase

This instrument was filed for record on the 21st

day of August, 1903.

at 1:47 o'clock P. M., and duly recorded

in Book 1-143 Page 344-346 of

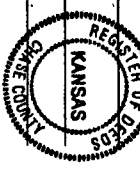
the records of this office.

Nathaniel Schulte

Register of Deeds.

By _____

When recorded, return to _____



STATE OF _____ COUNTY OF _____

ACKNOWLEDGMENT FOR CORPORATION (KsOKCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

by _____ of _____ corporation, on behalf of the corporation.

My commission expires _____

Notary Public

STATE OF _____ COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

My commission expires _____

Notary Public

STATE OF _____ COUNTY OF _____

ACKNOWLEDGMENT FOR INDIVIDUAL (KsOKCoNe)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

My commission expires _____

Notary Public

The foregoing instrument was acknowledged before me this _____ day of _____, 19____

My commission expires _____

Notary Public