

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 7 oil ..
☒ Gas Lease: No. of Gas Wells 2 oil & Gas
☐ 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: Pierce formerly CARR

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

Effective Date of Transfer: 2-20-2013

KS Dept of Revenue Lease No.: 124544

Lease Name: Pierce formerly CARR

_____ Sec. 03 Twp. 31 R. 16 ☒ E ☐ W

Legal Description of Lease: _____

The W/2 of the SE/4, and the E/2 of the SW/4 of Section 3, Township 31 South, Range 16 East; together with a road right-of-way located below

County: MONTGOMERY

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Production Zone(s): CATTLEMAN

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Injection Zone(s): _____

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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 **OR** ☐ Drilling

Past Operator's License No. LANDOWNER SEE ATTACHED LEASE

Contact Person: ROBERT W PIERCE

Past Operator's Name & Address: _____

Phone: 620-332-9748

Date: 2-11-2014

Title: LANDOWNER

Signature: _____

New Operator's License No. 34849

Contact Person: KRISTIE K HAWLEY

New Operator's Name & Address: INTREPID RESOURCES, LLC

Phone: 620-330-2119

4654 SR 64 E. PENTHOUSE STE. 127

Oil / Gas Purchaser: COFFEYVILLE RESOURCES-OIL GAS-LR ENERGY

BRADENTON, FL 34208

Date: 2-12-14

Title: REGULATORY DIRECTOR

Signature: Kristie K Hawley

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 2/20/14 PRODUCTION 2-24-14 UIC 2-21-14
Mail to: Past Operator _____ New Operator _____ District _____

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

* Location: SEC3 TWN 31 RG 16 E.

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.

Pierce Wells

IR2- API# 15-125-32331 DRILLED 2013	IR25- API# 15-125-32371 DRILLED 2013
IR3- API# 15-125-32332 DRILLED 2013	IR27- API # 15-125-32385 DRILLED 2013
IR4- API# 15-125-32333 DRILLED 2013	
IR5- API# 15-125-32334 DRILLED 2013	
IR8- API# 15-125-22824-- LISTED WITH STATE AS CARR 9	
IR9- API# 15-125-22826-- LISTED WITH STATE AS CARR 8	
IR11- API# 15-125-22917-- LISTED WITH STATE AS W-1	
IR12- API# 15-125-22754-- LISTED WITH STATE AS CARR 3	
IR13- API# 15-125-22755-- LISTED WITH STATE AS CARR 4	
IR14- API# 15-125-22756-- LISTED WITH THE STATE AS CARR 5	
IR 16- API# 15-125-22876-- LISTED WITH THE STATE AS CARR 14	
IR 17- API# 15-125-25317-- LISTED WITH THE STATE AS CARR B-13	
IR 18- API# 15-125-25316-- LISTED WITH THE STATE AS CARR B-12	
IR 20- API# 15-125-32344 DRILLED 2013	
IR 21- API# 15-125-32345 DRILLED 2013	
IR 211- API# 15-125-32352 DRILLED 2013	
IR22- API# 15-125-32346 DRILLED 2013	
IR23- API# 15-125-32348 DRILLED 2013	
IR 24 API# 15-125-32347 DRILLED 2013	

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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1
January 2014
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 # 34849
Name: INTREPID RESOURCES LLC
Address 1: 4654 SR 64 E. PENTHOUSE SUITE 127
Address 2: _____
City: BRADENTON State: FL Zip: 34208 + _____
Contact Person: KRISTIE K HAWLEY
Phone: (620) 330-2119 Fax: (_____) _____
Email Address: KRISTIEKAYHAWLEY@YAHOO.COM

Well Location:
NW NW SW SE Sec. 03 Twp. 31 S. R. 16 ☒ East ☐ West
County: MONTGOMERY
Lease Name: PIERCE FORMERLY CARR Well #: _____

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

The W/2 of the SE/4, and the E/2 of the SW/4 of Section 3, Township 31 South, Range 16 East; together with a road right-of-way located between the NW/4 and the SW/4 of Section 3, Township 31 South, Range 16 East; AND Lots 1 and 2, (being the N/2 of the NE/4) and the SW/4 of the NE/4; and Lots 3 and 4, (being the N/2 of the NW/4) and the S/2 of the NW/4, except commencing at the Southwest corner thereof, thence East 82 rods, thence North 24 feet, thence West 82 rods, thence South 24 feet to beginning, an in Section 3, Township 31, Range 16, and containing 436 acres more or less.

Surface Owner Information:

Name: ROBERT W PIERCE
Address 1: 3444 W MAIN
Address 2: _____
City: INDEPENDENCE State: KS Zip: 67301 + _____

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 must provide the name and address of the surface owner by filling out the top section of this form and 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: 02-12-2014

Signature of Operator or Agent: 

REGULATORY DIRECTOR

Title: _____

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

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AMENDED
OIL AND GAS LEASE

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THIS AGREEMENT, entered into this 20 day of February, 2013, between Robert Pierce (herein after called Lessor) and Intrepid Resources, LLC. (hereinafter called Lessee), does witness:

1. That Lessor, for and in consideration of the sum of One Dollar (\$1.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted, leased, and let, and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, for the purpose of carrying on geological, geophysical, and other exploratory work, including core drilling, and the drilling and operating for, producing, and saving all of the oil, gas, casing head gas, casing head gasoline, including all associated hydrocarbons produced in a liquid or gaseous form and including gas found in and produced from coal formations or coal seams and all zones in communication therewith, which gas is sometimes referred to as coal bed methane, coal seam gas or occluded gas and all other gases and their respective constituent vapors, (including coal bed methane gas, helium, and all other constituents and substances produced therewith), including the dewatering for production of coal bed methane gas, and for constructing roads, laying pipe lines, building tanks, storing oil, and erecting other structures thereon which are necessary or convenient for the economical operation of said land to produce, save, take care of, and manufacture all of such substances, said tract of land with any reversionary rights therein being situated in the county of Montgomery, state of Kansas, and described as follows:

The W/2 of the SE/4, and the E/2 of the SW/4 of Section 3, Township 31 South, Range 16 East; together with a road right-of-way located between The NW/4 and the SW/4 of Section 3, Township 31 South, Range 16 East; AND lots 1 and 2, (being the N/2 of the NE/4) and the SW/4 of the NE/4; and Lots 3 and 4 (being the N 1/2 of the NW/4). and the S/2 of the NW/4, except commencing at the Southwest corner thereof, thence East 82 rods, thence North 24 feet, thence West 82 rods, thence South 24 feet to beginning, an in Section 3, Township 31, Range 16, and containing 436 acres more or less.

2. This lease shall remain in force for a term of (2) year from the effective date hereof, and as long thereafter as oil, gas, casing head gas, casinghead gasoline, or any of the products covered by this lease are or can be produced.

3. The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipe line to which Lessee may connect its wells, the equal (18%) part of all oil and gas on any new well drilled and 25% of any oil and gas coming from any old well that is presently on the lease. A separate accounting system will be constructed and implemented. The royalty is obtained at the well head or at the gathering site at the

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OIL AND GAS LEASE

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THIS AGREEMENT, entered into this 20 day of February, 2013, between Intrepid Resources, LLC (herein after called Lessor) and Robert Pierce (hereinafter called Lessee), does witness:

1. That Lessor, for and in consideration of the sum of One Dollar (\$1.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted, leased, and let, and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, for the purpose of carrying on geological, geophysical, and other exploratory work, including core drilling, and the drilling and operating for, producing, and saving all of the oil, gas, casing head gas, casing head gasoline, including all associated hydrocarbons produced in a liquid or gaseous form and including gas found in and produced from coal formations or coal seams and all zones in communication therewith, which gas is sometimes referred to as coal bed methane, coal seam gas or occluded gas and all other gases and their respective constituent vapors, (including coal bed methane gas, helium, and all other constituents and substances produced therewith), including the dewatering for production of coal bed methane gas, and for constructing roads, laying pipe lines, building tanks, storing oil, and erecting other structures thereon which are necessary or convenient for the economical operation of said land to produce, save, take care of, and manufacture all of such substances, said tract of land with any reversionary rights therein being situated in the county of Montgomery, state of Kansas, and described as follows:

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4. Once royalty checks have commenced being tendered, the mineral owner shall be paid within 90 days after the end of the month that any production leaves the leased premises. If payments are not forthcoming within the designated period, interest will accrue on the unpaid balance at the rate of 8% interest. If six months transpire between royalty payments, the lease shall expire except where delay was caused by title problems.

5. If Lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the Lessee shall have the right to drill such well to completion or complete reworking operations 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 first mentioned.

6. After a period of two years beginning on the execution of this oil and gas lease if a mechanism is not in place for the selling of natural gas, the natural gas portion of the lease will revert back to the lessor. This in no way affects the conditions of the oil portion of the lease.

7. In case said Lessor owns a less interest in the above-described land, other than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The Lessee shall have the right to use gas, oil, and water found on said land for its operations thereon, except water from the wells or ponds of the Lessor. When required by Lessor, the Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without written consent of the Lessor. Lessee shall have the right at any time during, and within six (6) months after the expiration of this lease, to remove all machinery, fixtures, houses, buildings, and other structures placed on said premises, including the right to draw and remove all casing. Lessee shall grade to the original level and restore the surface to its original condition, as nearly as practicable, within six (6) months after the expiration of this lease.

9. If the estate of either party hereof is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the Lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will

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of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to Lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor.

10. If the leased premises are now or 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 separate owner bears to the entire leased acreage.

11. 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 in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above-described lands and, in the 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.

12. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate, provided Lessee (a) resumes production, (b) initiates operations for recompleting an existing well within sixty (60) days from such cessation or (c) initiates operations for drilling a new well within sixty (60) days from such cessation, and this lease shall remain in force during the diligent prosecution of such operations and, if production results therefrom, then as long as production continues.

13. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the Lessor, or by placing same of record in the proper county.

14. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease, shall not be in any way terminated wholly or partially, nor shall the Lessee be liable in damages for failure to comply with, any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules, or regulations (or interpretations thereof). If, during the last six months of the primary term hereof, Lessee should be prevented from drilling a well hereunder by the order of any constituted authority having jurisdiction there over, or if Lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause,

the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the Lessee shall pay delay rentals herein provided during such extended time.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said Lessor and Lessee.

16. Additional Conditions: In lieu of payment for securing lease Lessor take in trade for comparable dozer, dirt work and clearing of trees.

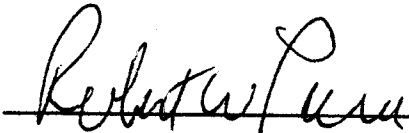
17. This lease shall not be sold and or transferred during the term of the lease in any way by Intrepid Resources LLC and will be guaranteed by representative of Intrepid Resources LLC (Lee Scogin).

18. Lessee agrees to pay for damages caused by its operations on the leases premises to growing crops, grass, cattle, roads, fences and improvements on said land, and further within a reasonable time after the completion of any well, to fill and level all slush pits used in the connection therewith, and upon abandonment of any well or other structure or facility on said land, to reasonably restore the surface of said land, so occupied by such well, structure or facility o as near its natural state as possible.

19. No fence of lessor may be cut, nor may any roadway be constructed, or permanent type of facility placed on the leased property without first obtaining the approval of lessor, and such approval shall not be unreasonably withheld by lessor. When requested by lessor, lessee will fence, with a god and substantial fence capable of turning livestock of ordinary demeanor, all permanent type facilities it places on the leased premises. Al roadways to be regularly used by lessee must be improved with base materials and regularly maintained.

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

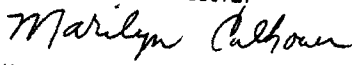
LESSOR:


By: _____

STATE OF KANSAS)

State of Kansas, Montgomery County
This instrument was filed for
Record on February 20, 2013 02:18:00 PM
Recorded in Book 613 Page 1135-1139
Fee: \$24.00 201300727




Marilyn Calhoun, Register of Deeds

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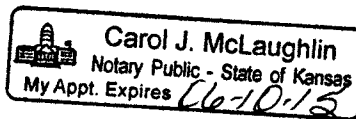
COUNTY OF

) SS:
)

The foregoing instrument was acknowledged before me this 20th day of February, 2012, by Robert W Pierce.

Carol J. McLaughlin
NOTARY PUBLIC

My Appointment Expires:



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