

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 7 \*\*
- ☐ 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: 4-5-2014KS Dept of Revenue Lease No.: 115798Lease Name: LarueSec. 33 Twp. 27 R. 19 ☒ E ☐ WLegal Description of Lease: E2 SE4County: NeoshoProduction Zone(s): Barterville / Carman

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 SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☒ Drilling

Past Operator's License No. \_\_\_\_\_

Past Operator's Name &amp; Address: \_\_\_\_\_

Title: \_\_\_\_\_

Contact Person: KCC WICHITAPhone: See AttachedDate: APR 28 2014Signature: RECEIVEDNew Operator's License No. 325951New Operator's Name & Address: MSG Resources975 1400 St. Topeka, KS 66749Title: CO/ownerContact Person: Michael E Brown / GRACE BrownPhone: 620-365-0638 / 620-228-3517Oil / Gas Purchaser: Pacer EnergyDate: 4-5-2014Signature: Michael E 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.

\_\_\_\_\_ 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 5/6/14 PRODUCTION 5.7.14 UIC 5/7/14

Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

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

115798

\* Location:

22 SE4 Sec 33 thru 275 R1/95

~~RECEIVED~~

\* 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  
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 # 32595  
Name: MSG Resources Inc.  
Address 1: 975 1400 St  
Address 2: \_\_\_\_\_  
City: Tola State: Ks Zip: 66749  
Contact Person: Michael & Dawn - Gary Brown  
Phone: ( 620 ) 365-0636 Fax: ( 620 ) 228-3517  
Email Address: MSGResources@Midwest-Connections.com

Well Location: \_\_\_\_\_ Sec. 33 Twp. 27 S. R. 19 ☒ East ☐ West  
County: Medford  
Lease Name: LaRue 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: John & Dorothy LaRue  
Address 1: 11400 190th Rd  
Address 2: RR 3 Box 80  
City: Chanute State: Ks Zip: 66720

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: April 15 - 2014 Signature of Operator or Agent: Michael Z Brown Title: CO/owner

**KCC WICHITA**  
**APR 28 2014**  
**RECEIVED**

**AFFIDAVIT OF NON-PRODUCTION**

To: MJ Energy, LLC  
Jon R. Viets  
201 N. Penn Ave, Suite 604  
Independence, KS 67301

Investors Energy, LLC  
c/o Incorp Services, Inc.  
534 S. Kansas Ave.  
Topeka, KS 66603



**KCC WICHITA**

**APR 28 2014**

**RECEIVED**

STATE OF KANSAS, COUNTY OF ALLEN, ss:

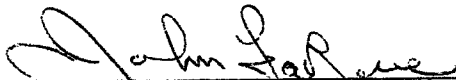
John LaRue and Dorothy LaRue, husband and wife, of lawful age, being first duly sworn on their oath, state that they are familiar with the following described property, to wit:

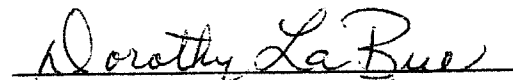
**The East half (E/2) of the Southeast Quarter (SE/4) of Section 33, Township Twenty-seven (27) South, Range Nineteen (19) East, Neosho County, Kansas:**

which property is owned by said John LaRue and Dorothy LaRue.

Affiants know of their 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.

  
John LaRue

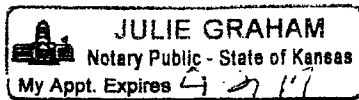
  
Dorothy LaRue

**ACKNOWLEDGMENT**

STATE OF KANSAS, COUNTY OF ALLEN, ss:

Before me, the undersigned, a Notary Public, within and for said County and State on this 11<sup>th</sup> day of December 2013, personally appeared John LaRue and Dorothy LaRue, husband and wife, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they 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.



*Julie Graham*  
\_\_\_\_\_  
Notary Public

**AFFIDAVIT OF FORFEITURE**

STATE OF KANSAS, COUNTY OF ALLEN, ss:

The undersigned, John LaRue and Dorothy LaRue, husband and wife, of lawful age, being first duly sworn on their oaths, state as follows:

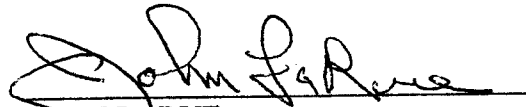
1. That John LaRue and Dorothy LaRue are the owners of the following described land situated in Neosho County, Kansas to wit:

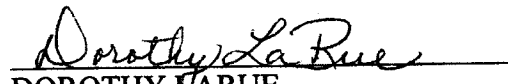
**The East half (E/2) of the Southeast Quarter (SE/4) of Section 33, Township Twenty-seven (27) South, Range Nineteen (19) East, Neosho County, Kansas;**

upon which an oil and gas lease dated March 18, 1974 from Homer LaRue and Fleta LaRue, husband and wife and John LaRue and Dorothy LaRue, husband and wife, to Graybol Oil Corporation, as lessee and is recorded in Book 69 at Pages 329, in the Neosho County Register of Deeds.

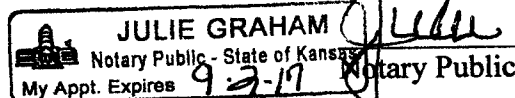
2. That the owner of the working interest and the operators of said lease, their predecessors in title or successors or assigns have failed and neglected to comply with the terms and provisions of the lease, having failed to pay any royalties or delay rentals for over one (1) year causing said lease to terminate and expire by its own terms.

Affiants further saith not.

  
JOHN LARUE

  
DOROTHY LARUE

Subscribed and sworn to before me this 31 day of March 2014, by John LaRue and Dorothy LaRue, husband and wife.

  
JULIE GRAHAM  
Notary Public - State of Kansas  
My Appt. Expires 9-2-17

KCC WICHITA

APR 28 2014

RECEIVED

Form 88 (Producers) (Kansas) B

OIL ~~AND GAS~~ LEASE

AGREEMENT, Made and entered into this 15 day of April, 2014  
 by and between John Andor Dorothy LaRue  
husband and wife

of Michael E Brown And Garret Brown dba MSG resource Party of the First part, hereafter called lessor (whether one or more)  
 and party of the second part, lessee.

WITNESSETH. That the said lessor, for and in consideration of 1 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 the said lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, powers, stations and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the County of Neosho State of Kansas, described as follows, to-wit:

East half (E/2) of the Southeast Quarter (SE/4)

of Section 33 Township 27 S Range 19 E and containing 80 acres, more or less.

It is agreed that this lease shall remain in force for a term of Two years from 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:

3/16 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth 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 (1/8) of the gross proceeds at the prevailing market rate 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 gas, one-eighth (1/8) of the gross proceeds at the prevailing market rate 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    day of   , 19  , 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

   DOLLARS, which sum shall operate as a rental and cover the privileges of deferring the commencement of a well for    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 of 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 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 commenced on said land within twelve months from the expiration of last rental period to 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 paragraphs 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.

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 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 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 payment of said rentals.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the lender.

ACKNOWLEDGEMENT TO THE LEASE

STATE OF KANSAS, County of Neosho ss.  
 BE IT REMEMBERED, That on this 17th day of April in the year of our Lord one thousand nine hundred and 2014, before me, a Notary Public in and for said County and State, came Larue and Dorothy Larue and Dorothy Larue his wife to me personally known to be the identical person who executed the above and foregoing instrument, and who each duly acknowledged the execution of the same.  
 In Witness Whereof, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.  
 My commission expires 9-2-17  
**JULIE GRAHAM**  
 Notary Public - State of Kansas  
 My Appt. Expires 9-2-17  
 Notary Public

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:  
 That \_\_\_\_\_ of \_\_\_\_\_ State of \_\_\_\_\_ the within named grant \_\_\_\_\_ in consideration of the sum of \_\_\_\_\_ Dollars to \_\_\_\_\_ in hand paid, the receipt whereof is hereby acknowledged, do \_\_\_\_\_ hereby sell, assign, transfer, set over and convey unto \_\_\_\_\_ heirs and assigns the within grant.  
 TO HAVE AND TO HOLD THE SAME FOREVER, subject nevertheless, to the conditions therein contained.  
 In Witness Whereof, the said grant \_\_\_\_\_ ha \_\_\_\_\_ hereunto set \_\_\_\_\_ hand \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

ACKNOWLEDGMENT OF THE ASSIGNMENT

STATE OF KANSAS, County of \_\_\_\_\_ ss.  
 BE IT REMEMBERED, That on this \_\_\_\_\_ day of \_\_\_\_\_ in the year of our Lord one thousand nine hundred and \_\_\_\_\_, before me, a Notary Public in and for said County and State, came \_\_\_\_\_ and \_\_\_\_\_ to me personally known to be the identical person who executed the above and foregoing instrument, and who each duly acknowledged the execution of the same.  
 In Witness Whereof, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.  
 My commission expires \_\_\_\_\_  
 Notary Public

FORM 88 [PRODUCERS] (KANSAS) B

**OIL AND GAS LEASE**

FROM

TO

Date \_\_\_\_\_, 19\_\_\_\_  
 Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_  
 No. of Acres \_\_\_\_\_  
 County, Kansas.  
 Term \_\_\_\_\_  
 County of \_\_\_\_\_ ss.  
 State of Kansas  
 This instrument was filed for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_  
 at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and duly recorded in book \_\_\_\_\_ page \_\_\_\_\_ of the records of this office.  
 Register of Deeds  
 Deputy Clerk

THE IOLA REGISTER

ACKNOWLEDGMENT WHERE LESSOR SIGNS BY MARK

STATE OF KANSAS, County of \_\_\_\_\_ ss.  
 On this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19\_\_\_\_, before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared \_\_\_\_\_