

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.: 31298.0
Spot Location: 2025 feet from ☐ N / ☒ S Line
2026 feet from ☒ E / ☐ W Line
☐ Enhanced Recovery Project Permit No.: _____
Entire Project: ☐ Yes ☐ No
Number of Injection Wells _____ **

Field Name: WAYSIDE-HAVANA Peru-Sedan
**** Side Two Must Be Completed.**

Effective Date of Transfer: 12/16/2011
KS Dept of Revenue Lease No.: 143171
Lease Name: COWELL LEASE (Wilson)
____ - N2 - SE4 Sec. 2 Twp. 35 R. 11 ☒ E ☐ W
Legal Description of Lease: N2 SE/4 & LOTS 7 and 8 IN
SEC 2 TWP 35S R 11E of the 6th P.M.
County: CHAUTAUQUA
Production Zone(s): WAYSIDE
Injection Zone(s): ARBUCKLE

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

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

_____ feet from ☐ N / ☐ S Line of Section
_____ feet from ☐ E / ☐ W Line of Section
☐ Haul-Off ☐ Workover ☐ Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Date: _____
Signature: See Attached Lease

New Operator's License No. 9722

Contact Person: GENE NUNNELEY **KCC WICHITA**

New Operator's Name & Address: G & J OIL COMPANY, INC.

Phone: 620-252-9700

P.O. BOX 188

Oil / Gas Purchaser: PACER **APR 23 2014**

CANEY, KS 67333

Date: 4/22/2014 **RECEIVED**

Title: PRESIDENT

Signature: Gene Nunneley

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: _____

Permit already in Operator's Name
Date: As well Added August 2012

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 6/4/14 PRODUCTION: JUN 11 2014 UIC 6-11-14
Mail to: Past Operator _____ New Operator _____ District _____

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

* Location: N2 SE/4 2-35-11E

* 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 # 9722
Name: G & J OIL COMPANY, INC.
Address 1: P.O. BOX 188
Address 2: _____
City: CANEY State: KS Zip: 67333 + _____
Contact Person: GENE NUNNELEY
Phone: (620) 252-9700 Fax: (620) 331-1367
Email Address: _____

Well Location:
_____ N2 SE4 Sec. 2 Twp. 35 S. R. 11 ☒ East ☐ West
County: CHAUTAUQUA
Lease Name: COWELL Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
**N2 SE/4 & LOTS 7 and 8 ALL IN
SEC 2 TWP 35S R 11E of the 6th P.M.**

Surface Owner Information:

Name: WELCOME & NANCY COWELL
Address 1: 400259 W. 600 ROAD
Address 2: _____
City: COPAN State: OK Zip: 74022 + _____

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: 4/22/2014 Signature of Operator or Agent:  Title: ~~VICE~~ PRESIDENT

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

then as long as production continues.

12. 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. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled, shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. 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.

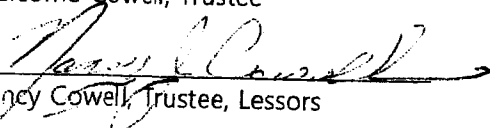
14. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

15. This lease is subject to the terms and provisions of the Addendum attached hereto.

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

The Welcome Cowell and Nancy Cowell
Revocable Trust Under Agreement dated June
28, 2004


Welcome Cowell, Trustee


Nancy Cowell, Trustee, Lessors

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ADDENDUM OIL AND GAS LEASE

BY AND BETWEEN Welcome Cowell and Nancy Cowell as Trustees of The Welcome Cowell and Nancy Cowell Revocable Trust Under Agreement dated June 28, 2004, LESSORS, and G & J Oil Company, Inc., LESSEE.

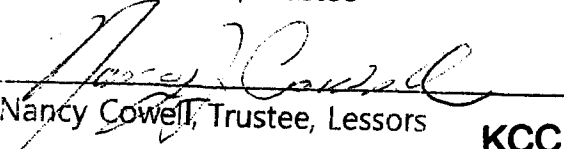
In consideration of the mutual covenants and agreements of the parties set forth in said Oil and Gas Lease, and other good and valuable consideration, it is further agreed by and between Lessors and Lessee that notwithstanding anything to the contrary set forth in the foregoing Oil and Gas Lease, the following provisions shall apply and shall supercede the terms of such Lease:

1. No trees shall be cut upon the above-described real estate without the prior permission of the Lessors.
2. No well shall be drilled nearer than 500' to the house now on said premises, without the written consent of the Lessors.
3. The existing gas well which supplies gas to Lessors' residence is excluded from the leasehold premises and is the exclusive property of Lessors.
4. No well shall be drilled nearer than 500' to the existing gas well now on said premises, without the written consent of the Lessors.
5. The tank battery shall be located near the existing private roadway entrance into the premises from the country road.

In witness whereof, the parties have executed this Addendum to Oil and Gas Lease this 16th day of December, 2011.

The Welcome Cowell and Nancy Cowell
Revocable Trust Under Agreement dated
June 28, 2004

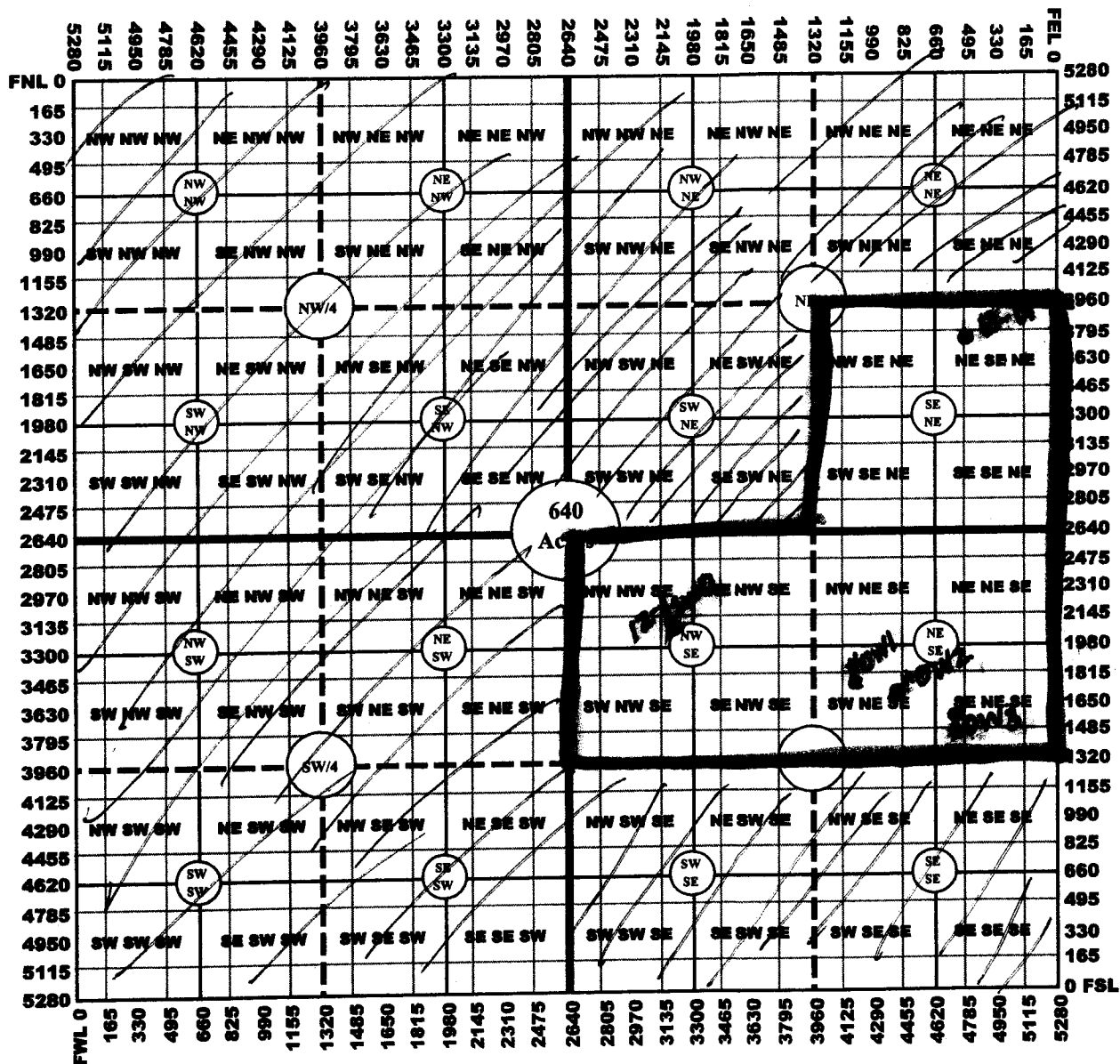
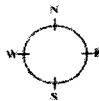

Welcome Cowell, Trustee


Nancy Cowell, Trustee, Lessors

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