

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 \_\_\_\_\_ \*\*

☒ Gas Lease: No. of Gas Wells 2 \*\*

☐ Gas Gathering System: \_\_\_\_\_

☒ Saltwater Disposal Well - Permit No.: D-30118

Spot Location: 2310 feet from ☐ N / ☒ S Line

1485 feet from ☒ E / ☐ W Line

☐ Enhanced Recovery Project Permit No.: \_\_\_\_\_

Entire Project: ☐ Yes ☐ No

Number of Injection Wells \_\_\_\_\_ \*\*

Field Name: Wayside-Havana

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

Effective Date of Transfer: 5/2/11  
April 1, 2011

KS Dept of Revenue Lease No.: 46335722(?) NA

Lease Name: BETTS

Sec. 14 Twp. 34 R. 14 ☒ E ☐ W

Legal Description of Lease: SE/4, NE/4, SW/4, NE/4 and SE/4, NE/4 of  
Section 14-T34s-R14e Part of NE/4 or Part of NE/4

County: MONTGOMERY **KCC WICHITA**

Production Zone(s): Wayside, Bartlesville **JUL 18 2014**

Injection Zone(s): Wayside, Bartlesville  
Mississippi **RECEIVED**

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 ☒ Drilling

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

Contact Person: \_\_\_\_\_

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

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

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

Signature: Attachments Approved by legal.

New Operator's License No. 34553 ADR Operating, Inc.

Contact Person: Charles Adams

New Operator's Name & Address: 201 N. Penn Ave, suite 501

Phone: 620-205-6500

Independence, KS 67301

Oil / Gas Purchaser: CEP

Date: 7-17-14

Title: President

Signature: Chad A. Adams

**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.

ADR Operating Inc is acknowledged as

the new operator and may continue to inject fluids as authorized by

Permit No.: D-30118 . Recommended action: Need U3Cs

for 2011-2013 + MIT OVERDUE 2-6-13

Date: 7-23-14 Cheryl J. 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 \_\_\_\_\_

Mail to: Past Operator \_\_\_\_\_

EPR

7-22-14

PRODUCTION \_\_\_\_\_

New Operator \_\_\_\_\_

7-22-14

7-23-14

UIC \_\_\_\_\_

District 3

7-23-14

7-23-14

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



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 # 34553  
Name: ADR Operating, Inc.  
Address 1: 201 N. Penn Ave Suite 501  
Address 2: \_\_\_\_\_  
City: Independence State: KS Zip: 67301 + \_\_\_\_\_  
Contact Person: Charlie Adams  
Phone: ( 620 ) 205-6500 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: dynamic7@gmail.com

Well Location:  
\_\_\_\_\_ Sec. 14 Twp. 34 S. R. 14 ☒ East ☐ West  
County: Montgomery  
Lease Name: Betts Well #: 07-1, 07-3, 07-8

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

*Part of NE/4 and  
Part of NW/4*

**Surface Owner Information:**

Name: Lonnie Betts  
Address 1: 200 Arco box110  
Address 2: \_\_\_\_\_  
City: Independence State: KS Zip: 67301 + 3398

*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: 7/7/14 Signature of Operator or Agent: [Signature] Title: President

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**JUL 18 2014**

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STATE OF KANSAS MON. MERY COUNTY  
FILED FOR RECORD  
MARILYN CALHOUN, REGISTER OF DEEDS  
5:02:41 AM, 9/21/2007 Receipt No: 27770  
LEASE \$5.00  
ADDITIONAL PAGES \$4.00  
TECHNOLOGY FUND \$6.00

BOOK: 569 PAGE: 575

### OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this 21<sup>st</sup> day of September, 2007, by and between Lonnie Betts, a single person, Route 1, Box 271-C, Carey, Kansas 67333, hereinafter called LESSOR, and Custer Oil & Gas, LLC, P. O. Box 628, Barnsdall, Oklahoma 74002, hereinafter called LESSEE.

*Lonnie Betts*

WITNESSETH: That the said LESSOR, for and in consideration of Six Thousand Dollars (\$6,000.00), and other good and valuable consideration, 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 situated in the County of Montgomery, State of Kansas, described as follows, to-wit:

SE/4 NE/4 and the SW/4 NE/4 and the SE/4 NW/4  
of Section 14, Township 34 South, Range 14 East, and containing 120 acres more or less.

It is agreed that this Lease shall remain in force for a term of two (2) 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:

1. To deliver to the credit of LESSOR, free of cost, in the pipe lines to which it may connect its wells, the equal three-sixteenths (3/16) part of all oil produced and saved from the leased premises.
2. To pay LESSOR for gas from each well where gas only is found, the equal three-sixteenths (3/16), at the market price at the well for the gas sold, used off the premises, or used in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.
3. This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 first mentioned.
4. 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 for shall be paid the LESSOR only in the proportion which LESSOR's interest bears to the whole and undivided fee.
5. LESSEE shall have the right to use, free of cost, gas, oil and water produced on said land for LESSEE's operations thereon, except water from the wells of LESSOR.
6. When requested by LESSOR, LESSEE shall bury LESSEE's pipelines below plow depth.

\*Paul Phillips  
104 Quail Creek Ln  
Skiatook, OK 74070

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**JUL 18 2014**  
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7. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of LESSOR.

8. LESSEE shall pay for all damages caused by LESSEE's operations to growing crops on said land.

9. 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.

10. 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. In case LESSEE assigns this lease, in whole or in part, LESSEE shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

11. LESSEE may at any time execute and deliver to LESSOR or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

12. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor LESSEE held liable for damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

13. LESSOR hereby warrants and agrees to defend the title to the lands herein described and agrees the LESSEE shall have the right at any time to redeem for LESSOR by payment of any mortgage 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 holder thereof, and the undersigned LESSOR, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. LESSEE commits to drill a minimum of one (1) well within one (1) year from the date of this Lease.

15. LESS agrees to pay to LESSOR a location fee of \$1,500.00 for each well drilled or tank battery placed on the property.

16. In the event LESSEE drills five (5) wells, then and in such event LESSEE then has the option of leasing for oil and gas purposes from LESSOR on the same terms as are set forth herein the following described property situate in Montgomery County, State of Kansas, to-wit:

The N/2 NE/4 and the NE/4 NW/4 of Section 14, Township 24 South, Range 14 East

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

  
LONNIE BETTS

KCC WICHITA

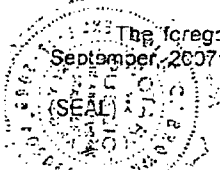
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ACKNOWLEDGMENT OF INDIVIDUAL

STATE OF OKLAHOMA )  
COUNTY OF Osage ) SS:

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of  
September, 2007, by Lornie Betts, a single person.



Julie C. Brown  
NOTARY PUBLIC #05006505

My Commission Expires:  
7-18-09

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