

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 **
- ☐ 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.: E-30080
- Entire Project: ☒ Yes ☐ No
- Number of Injection Wells 1 **

Field Name: Casement**** Side Two Must Be Completed.**Effective Date of Transfer: 7-26-2011KS Dept of Revenue Lease No.: ~~1037789409~~ 139035 -Lease Name: West Betts_____ Sec. 15 Twp. 34 R. 14 ☒ E ☐ WLegal Description of Lease: East 1/2 of the SE 1/4County: Montgomery**KCC WICHITA**Production Zone(s): Bartlesville (?)**JUL 18 2014**Injection Zone(s): Bartlesville (2)wayside**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 SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover OR ☐ Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: _____

Attachments = *Approved by Legal to ProcessNew Operator's License No. 34553 *Contact Person: Charlie AdamsNew Operator's Name & Address: ADR Operating, Inc.Phone: 620-205-6500201 N. Penn Ave. Suite 501, Independence, KS 67301Oil / Gas Purchaser: CEPDate: 7-17-14Title: PresidentSignature: 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.: E-30080 . Recommended action: NET OVERAGENeed UIC's for 2009-2013 - 1 UICDate: 8-4-14 Cheryl L. 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 8

EPR

7/24/14

PRODUCTION

New Operator 8-4-14AUG 06 2014

UIC

District 3

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

* Location: E 1/2 of the SE 1/4 Sec. 15- T34s- R14e

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TAB/D/Abandoned)
* Casement 1	15-125-21605	1787 Circle FSL/FNL	861 Circle FEL/FWL	OIL INJ NOT AUTHORIZED - Information on this well
* Casement 2	15-125-21856 ✓	1969 FSL/FNL	620 FEL/FWL	OIL PROD
* Casement 5-A	15-125-21996 ✓	2491 FSL/FNL	1138 FEL/FWL	OIL PROD
DPS 83 * Casement 6	15-125-21649 / 22344	1420 FSL/FNL	720 FEL/FWL	INJ PROD
EOR 80 * Casement 11	15-125-21717 ✓	1775 FSL/FNL	884 FEL/FWL	INJ PROD
* Casement 28	15-125-28036 ✓	1025 FSL/FNL	1125 FEL/FWL	OIL PROD
* Casement 29	15-125-28037 ✓	1025 FSL/FNL	700 FEL/FWL	OIL PROD
✓ W. Betts 07-9	15-125-31496	850 FSL/FNL	969 FEL/FWL	OIL PROD
✓ 7	15-125-02775 ✓ NOT AVAILABLE	2224 FSL/FNL	886 FEL/FWL	OIL PROD
✓ 8	15-125-02776 ✓ NOT AVAILABLE	1970 FSL/FNL	1107 FEL/FWL	OIL PROD
1	15-125-02777 ✓ NOT AVAILABLE	335 FSL/FNL	647 FEL/FWL	OIL PROD
2	15-125-02778 ✓ NOT AVAILABLE	354 FSL/FNL	350 FEL/FWL	OIL PROD
✓ 3	15-125-02779 ✓ NOT AVAILABLE	171 FSL/FNL	913 FEL/FWL	OIL PROD
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	
		FSL/FNL	FEL/FWL	KCC WICHITA
		FSL/FNL	FEL/FWL	JUL 18 2014
		FSL/FNL	FEL/FWL	RECEIVED
		FSL/FNL	FEL/FWL	

A separate sheet may be attached if necessary

* *Lease Name Changed to West Betts per operator. 7/24/14*
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 # 34553
Name: ADR Operating, Inc.
Address 1: 201 Penn Ave. Suite#501
Address 2: _____
City: Independence State: KS Zip: 67301 + _____
Contact Person: Charlie Adams
Phone: (620) 205-6500 Fax: (_____) _____
Email Address: dynamic7ca@gmail.com

Well Location: _____
_____ - _____ - SE Sec. 15 Twp. 34 S. R. 14 ☒ East ☐ West
County: Montgomery
Lease Name: West Betts Well #: ALL
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: LONNIE BETTS
Address 1: 200 ARCO PL
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 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: 7-17-14 Signature of Operator or Agent: [Signature] Title: President

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-Paul Phillips
104 Quail Creek Lane
Skiatook, OK 74070



STATE OF KANSAS MONTGOMERY COUNTY
FILED FOR RECORD
MARILYN CALHOUN, REGISTER OF DEEDS
1:25:49 PM 10/22/2007 Receipt No.: 28409

LEASE \$6.00
ADDITIONAL PAGES \$4.00
TECHNOLOGY FUND \$6.00

BOOK: 570 PAGE: 631

OIL LEASE - Approximately 800' & Above

THIS AGREEMENT, made and entered into this 19th day of October, 2007, by and between Lonnie Betts, a single person, and Prism Group, LLC, Route 1, Box 271-C, Caney, Kansas 67333, Party of the First Part (whether one or more), hereinafter called LESSOR, and Custer Oil & Gas, LLC, P. O. Box 628, Barnsdall, Oklahoma 74002, Party of the Second Part, hereinafter called LESSEE.

Lonnie Betts

WITNESSETH: That the said LESSOR, for and in consideration of Fifty Dollars (\$50.00) per acre or a total of \$3,900.00, 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 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:

The E/2 SE/4 of Section 15, Township 34 South, Range 14 East, less and except a tract 436 feet North and South by 269 feet East and West in the Southwest corner thereof and less that part used for county right-of-way

Containing seventy-eight (78) acres more or less.

It is agreed that this Lease shall remain in force for a term of eighteen (18) months from date, and as long thereafter as oil 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. 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 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.
3. 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.
4. LESSEE shall have the right to use, free of cost, oil and water produced on said land for LESSEE's operations thereon, except water from the wells of LESSOR.
5. When requested by LESSOR, LESSEE shall bury LESSEE's pipe lines below plow depth.
6. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of LESSOR.
7. 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.

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JUL 18 2014
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8. 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.

9. 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.

10. 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.

11. 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.

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


13. LESSEE agrees to pay to LESSOR a location fee of \$1,500.00 for each well drilled.

14. LESSOR agrees that LESSEE is to get all well bores and equipment to be used in the production of oil.

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


LONNIE BETTS

PRISM GROUP, LLC

BY: 
LONNIE BETTS, Manager

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ACKNOWLEDGMENT OF INDIVIDUAL

STATE OF OKLAHOMA)
COUNTY OF Beaver) SS:

The foregoing instrument was acknowledged before me this 19th day of
October 2007, by Lonnie Betts, a single person.

Julie C. Brown
NOTARY PUBLIC

My Commission Expires:
7-18-09

ACKNOWLEDGMENT OF CORPORATION

STATE OF OKLAHOMA)
COUNTY OF Beaver) SS:

The foregoing instrument was acknowledged before me this 19th day of
October 2007, by Lonnie Betts, Manager of Prism Group, LLC.

Julie C. Brown
NOTARY PUBLIC

My Commission Expires:
7-18-09

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JUL 18 2014

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Aug 18 10 02:36p

Gary Bridwell

620-331-8057

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