

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 3 \*\*
- ☐ 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: 01/01/2014KS Dept of Revenue Lease No.: 144 997 ✓Lease Name: HOLLOWAY-4\_\_\_\_\_ - N2 - NW4 Sec. 18 Twp. 24 R. 16 ☒ E ☐ WLegal Description of Lease: N2 NW4 Sec 18-24-16

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County: WoodsonProduction Zone(s): Squirrel

Injection Zone(s): \_\_\_\_\_

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WICHITA, KS

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

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

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

Past Operator's Name & Address: Mike and Brenda Holloway  
1597 180th Rd, Yates Center, KS 66783

Title: landownerContact Person: Brenda HollowayPhone: 620-496-4645Date: 4-23-14Signature: Brenda HollowayNew Operator's License No. 34008 ✓

New Operator's Name & Address: Owens Petroleum, LLC  
1274 202nd Rd, Yates Center, KS 66783

Title: memberContact Person: Scott OwensPhone: 620-625-3607Oil / Gas Purchaser: Coffeyville ResourcesDate: April 23, 14Signature: Scott Owens

**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 8-25-14 PRODUCTION AUG 26 2014 UIC 8-26-14  
Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

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  
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 # 34008  
Name: Owens Petroleum, LLC  
Address 1: 1274 202nd Rd  
Address 2: \_\_\_\_\_  
City: Yates Center State: KS Zip: 66783 + \_\_\_\_\_  
Contact Person: Scott Owens  
Phone: ( 620 ) 496-7048 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_\_ - N2 - NW4 Sec. 18 Twp. 24 S. R. 16 ☒ East ☐ West  
County: Woodson  
Lease Name: HOLLOWAY-4 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: Mike and Brenda Holloway  
Address 1: 1597 180th Rd  
Address 2: \_\_\_\_\_  
City: Yates Center State: KS Zip: 66783 + \_\_\_\_\_

*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: 4/23/14 Signature of Operator or Agent: John A Owens Title: member

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

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WICHITA, KS

## OIL &amp; GAS LEASE

THIS LEASE, made and entered into this 1<sup>st</sup> day of April, 2011, by and between MICHAEL E. HOLLOWAYAND BRENDA K. SWARTZ, hereinafter called Lessor(s) and OWENS PETROLEUM, LLC, hereinafter called Lessee.

## WITNESSETH:

- 1) Lessor, in consideration of the sum of ONE DOLLAR (\$1.00) and other good and valuable considerations in hand paid by the Lessee, the receipt of which is hereby acknowledged, and the covenants and agreements herein contained, hereby grants, demises, leases and lets exclusively unto the Lessee the lands hereafter described for the purposes of prospecting, exploring by geophysical and other methods, drilling, operating for producing oil and gas, or both, and the constituents thereof, including coal bed methane gas, together with the right and easement to construct, operate, repair, maintain and remove pipelines, telephone, power and electric lines tanks, ponds, roadways, plants, equipment and the subsurface strata and any and all other rights, privileges necessary, incident to or convenient for the economical operation of the lands alone or conjointly with neighboring lands for these purposes, the following described land (hereinafter called "said land", in **Woodson County, Kansas**, to wit:

**North Half of the Northwest Quarter (N1/2 NW1/4) of Section 18, Township 24 South,  
Range 16 East.**

In addition to said land, Lessor hereby grants leases and lets exclusively unto Lessee to the same extent as if specifically described herein all lands owned by or claimed by Lessor which are adjacent, contiguous to or form a part of said land, including all oil, gas and all substances produced in association therewith underlying lakes, rivers, streams, roads, easements and right of way which traverse or adjoin any of said land. For rental payment purposes, said land shall be deemed to contain 80 acres, whether it actually comprises more or less.

- 2) Subject to the other provisions herein contained, this lease shall be for a term of two year(s) from this date (called "primary term") and as long thereafter as oil, or gas is produced from said land hereunder, or operations for drilling or reworking operations are conducted thereon. Lessee is not responsible for any or all old wells that may exist on lease before primary term.
- 3) The royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-eighth of that produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products therefrom, one eighth of the market value at the well of the product sold or used. On product sold at the well, the royalty shall be one eighth of the net proceeds realized from such sale. All royalties paid on gas sold or used off the premises or in the manufacture of products therefrom will be paid after deducting from such royalty Lessor's proportionate amount of all post production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the point of sale, treating, compression and processing. Lessee shall have free use of oil, gas and water produced from said land, except water from Lessor's wells, streams, lakes, and ponds for all operations hereunder, and the royalty on oil and gas shall be computed after deducting any so used.
- 4) Lessor grants unto the Lessee the right to pool into separate drilling or production unit(s), as to any one or more formations, said land or any part thereof and the leasehold estates therein in the vicinity of said land, whether contiguous or non-contiguous, held by Lessee or other Lessees, when in Lessee's judgment, it is necessary or advisable to create such pools to develop and operate efficiently such lands. Any such unit may not exceed six hundred forty (640) acres provided, however, that larger pools may be created to conform to any well spacing or unit prescribed by any governmental authority. Lessee, alone or with other Lessees, may form any pool before or after completion of the well thereon by recording in the county wherein the pooled lands are located declaration of such pooling and by mailing a copy thereof to Lessor.  
Neither the pooling nor the provision hereof shall operate as a transfer of title of any interest in the leased premises. The commencement of a well, the conduct of other drilling operations, the completion of a well or of a dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes (except as to royalties) as if said well were located on, or such drilling operations were conducted upon, the lands covered by this lease whether or not such well is located upon or drilling operations are conducted upon said lands. The royalties hereof shall be tendered or paid to Lessor in the proportion that Lessor's acreage in the pooled area(s) bears to the total pooled area. Lessee shall have the right but not the obligation, to reduce, enlarge, or modify such pools at any time. The royalties and such other payments tendered or paid thereafter shall then be based on the proportionate acreage and interest in the revised pool. If at any time the pool is not being operated as aforesaid, the declaration of pooling may be surrendered and cancelled of record. Such cancellation or surrender shall not affect a surrender or cancellation of the lease.
- 5) Lessee shall have the right at any time without Lessor's consent to surrender all or any portion of said land and be relieved of all obligations as to the acreage surrendered. Lessee shall have the right within a reasonable time after the expiration of this lease to remove all property and fixtures placed by Lessee on said lands including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or barn now on said land without Lessor's consent. The Lessee agrees to promptly pay to the owner thereof any damages to growing crops, or improvements, caused by or resulting from any operations of Lessee.
- 6) The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, successors and assigns of the parties hereto, but no change or division of ownership of said land, rentals or royalties, however accomplished, shall operate to enlarge the obligation or diminish the rights of Lessee. No change in the ownership of said land, or any interest therein shall be binding on Lessee until Lessee shall be furnished with a certified copy of all recorded instruments, all court proceedings and all other necessary evidence of any transfer, inheritance or sale of said rights. In event of the assignment of this lease as to a segregated portion of said land, the rentals payable hereunder shall be apportionable among the several leasehold owners ratably according to the surface area of each, and default in rental payments by one shall not affect the rights of other leasehold owners hereunder. 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.

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- 7) In the event the Lessee is unable to perform any of the acts to be performed by the Lessee, including but not limited to storms, floods, strike, riots and governmental restrictions, then while so prevented, Lessee's obligations to comply with such covenant shall be suspended, and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on, or from producing oil or gas or other hydrocarbons from the leased premises; and the time while Lessee is so prevented shall not be counted against the Lessee, anything in this lease to the contrary notwithstanding, and, if such cause shall extend within 90 days of the end of the primary term, this lease shall be extended for 90 days after the cessation of such cause and as long thereafter as there are operations on or production from the lease or lands pooled therewith.
- 8) Lessor hereby warrants and agrees to defend title to the lands and interests herein described, but if the interest of Lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, Lessor's Warranty shall be limited to the interest so stated. Lessor further warrants that the lands hereby leased are not subject to any valid prior oil and gas leases. Lessee shall have the right at any time to pay for Lessor, any mortgage, taxes or other lien on said lands, in the event of default of payment by Lessor and then be subrogated to the rights of the holder thereof. Any such payments made by Lessee for Lessor may be deducted from any amounts of money which may become due Lessor under this lease.
- 9) It is mutually agreed that this instrument contains and expresses all of the agreements and understandings of the parties in regard to the subject matter thereof, and no covenant, agreement or obligation shall be read into this agreement or imposed upon the parties or either of them.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns. This agreement shall be binding on each of the above named parties who sign the same, regardless of whether it is signed by any of the other parties.

IN WITNESS WHEREOF, this instrument is executed effective as of the date first above written.

SIGNATURES

Michael E Holloway  
Address \_\_\_\_\_

Brenda K Swartz  
Address 1597 180th  
Yates Center KS  
66783

STATE OF Kansas )  
COUNTY OF Coffey ) : (Individual Acknowledgment)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 23rd day of May, 2011, personally appeared Michael E Holloway and Brenda K Swartz to me personally know to be the identical person(s) who executed the within and foregoing instrument and such person(s) acknowledged the execution of the same.

My Commission Expires: 8-17-14

Brenda Ludolph Notary Public



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) : (Individual Acknowledgment)

Before me, the undersigned, a Notary Public, within and for said County and State, on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared \_\_\_\_\_ to me personally know to be the identical person( ) who executed the within and foregoing instrument and such person( ) acknowledged the execution of the same.

My Commission Expires: \_\_\_\_\_

Notary Public



## LEASE EXTENSION AGREEMENT

THIS Agreement, dated effective the 1<sup>st</sup> day of April, 2013, by and between Michael E Holloway and Brenda K Holloway, husband and wife, hereinafter sometimes referred to as "Owner", and OWENS PETROLEUM, LLC, hereinafter sometimes referred to as "Operator";

## WITNESSETH:

WHEREAS, Owner is the present owner of all or an undivided interest in and to the right, title and interest of Lessor and Operator is the present owner of all of Lessee's right, title and interest in and to that certain Oil and Gas Lease executed by Owner in favor of Owens Petroleum, LLC on the 1<sup>st</sup> day of April, 2011, said lease being recorded in Book 94, Page 552550, Records of Woodson County, State of Kansas, a full description of the lands covered thereby is hereto:

The North Half of the Northwest Quarter (N/2 NW/4) of Section Eighteen (18), Township Twenty-four (24) South, Range Sixteen (16) East of the 6<sup>th</sup> P.M., Woodson County, Kansas.

AND WHEREAS, it is the mutual desire of Owner and Operator to amend said Lease to extend the primary term of said Lease as hereinafter provided;

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed that the words and figure "Two" appearing in the primary term paragraph of said Lease are hereby deleted from said Lease and in lieu thereof there are hereby substituted therefor the words and figure "Three".

Except as amended hereby, said Lease shall remain unchanged, and for the consideration above recited: (a) Owner and Operator ratify, confirm and adopt said Lease as hereby amended and acknowledge that same is valid, subsisting and in full force and effect, and agree that the sum herein paid hereunder by Operator to Owner shall be considered as consideration for this Agreement for extending the primary term of said Lease for the period commencing April 1<sup>st</sup>, 2013, to April 1<sup>st</sup>, 2014; and (b) Owner does hereby grant, lease and let the lands described in said Lease to Operator, its successors, sublessees and assigns, upon all and singular the terms and provisions of said Lease as amended hereby.

This Agreement shall be binding upon and shall inure to the benefit of the respective heirs, successors, legal representatives, sublessees or assigns of the parties hereto.

EXECUTED this 26 day of April, 2013, but made effective as of April 1, 2013.

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WICHITA, KS

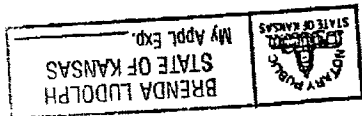
Owner: Michael E. Holloway  
Operator: Brenda K Holloway  
OWENS PETROLEUM, LLC  
By: Jody L Owens, Member

STATE OF KANSAS  
COUNTY OF Jeff  
SS: )

BE IT REMEMBERED that on this 26<sup>th</sup> day of April, 2013, before me, a Notary Public in and for the County and State aforesaid, came Michael E. Holloway and Brenda K. Holloway, husband and wife, who are personally known to me to be the same persons who executed the within instrument of writing and such persons duly acknowledged the execution of the same to be their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

NOTARY PUBLIC  
Brenda J. Owens



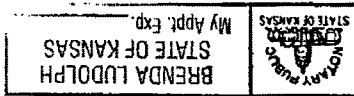
My Appointment Expires: 8-17-14

STATE OF KANSAS  
COUNTY OF Jeff  
SS: )

BE IT REMEMBERED that on this 26<sup>th</sup> day of April, 2013, before me, a Notary Public, in and for the County and State aforesaid, came Jody L. Owens, Member of Owens Petroleum, LLC, a limited liability company organized and existing under and by virtue of the laws of the State of Kansas, and who is personally known to me to be such officer and who is personally known to me to be the same person who executed, as such officer, the within instrument of writing on behalf of said company, and such person duly acknowledged the execution of the same to be the act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

NOTARY PUBLIC  
Brenda J. Owens



My Appointment Expires: 8-17-14