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MAY 30 2014
KCC WICHITA

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 21 **
☐ 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: HUGOTON GAS AREA

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

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

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

Past Operator's License No. 5447

Past Operator's Name & Address: OXY USA Inc

5 Greenway Plaza, Suite 110, Houston, TX 77046

Title: Regulatory Manager

New Operator's License No. 32446

New Operator's Name & Address: Merit Energy Company, LLC

13727 Noel Rd., Ste. 1200, Dallas, TX 75240

Title: Regulatory Manager

Effective Date of Transfer: May 1, 2014

KS Dept of Revenue Lease No.: 216644

Lease Name: Gray 'D' 3

Legal Description of Lease: T29S R35W, Sec. 3, N2 SW SW

County: Grant

Production Zone(s): Chase Group

Injection Zone(s): _____

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

Contact Person: Brent G. Sonnier

Phone: 713.366.5654

Date: April 15, 2014

Signature: Brent G. Sonnier

Contact Person: Arlene Valliquette

Phone: 972.628.1558

Oil/Gas Purchaser: Occidental Energy Marketing Inc

Date: April 15, 2014

Signature: Arlene Valliquette

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.

Merit Energy Company, LLC is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ Recommended action: _____

Date: April 15, 2014

Authorized Signature

Merit Energy Company, LLC is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____

Date: April 15, 2014

Authorized Signature

DISTRICT _____ EPR 9-24-14 PRODUCTION SEP 26 2014 UIC SEP 26 2014

Mail to: Past Operator _____ New Operator _____ District _____

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

050114 Gray D 3.pdf

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Must Be Filed For All Wells

KDOR Lease No.: 216644

*Lease Name: Gray 'D' 3

*Location: T29S R35W, Sec. 3, N2 SW SW

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/TA'D/Abandoned)
31	15-067-20972-0001 ✓	860 ^{FSL} North, 4620 ^{FEL} West, from SE corner	Gas	producing

A separate sheet may be attached if necessary

*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.

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**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 # 32446
Name: Merit Energy Company, LLC
Address 1: 13727 Noel Rd., Ste. 1200
City: Dallas State: TX Zip: 75240
Contact Person: Arlene Valliquette
Phone: (972) 628-1558 Fax: (972) 628-1858
Email Address: Arlene.Valliquette@meritenergy.com

Well Location:
County: Grant
Lease Name: Gray 'D' 3
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
T29S R35W, Sec. 3, N2 SW SW

Surface Owner Information:

ZJ Properties, Inc.
10565 9th Ave.
Hanford, CA 93230

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: Arlene Valliquette

Title: Regulatory Manager