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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.

| Crieck Applicable Boxes. | | |
|---|---|--|
| Oil Lease: No. of Oil Wells** | Effective Date of Transfer: May 1, 2014 | |
| Gas Lease: No. of Gas Wells 1 ** | KS Dept of Revenue Lease No.: 203738 | |
| Gas Gathering System: | Lease Name: Spikes 1 | |
| Saltwater Disposal Well- Permit No.: | _ | |
| Spot Location:feet from N / S Linefeet from E / W Line | Legal Description of Lease: T28S R36W, Sec. 19, NW NW NW SE | |
| Enhanced Recovery Project Permit No.: | | |
| Entire Project: Yes No | County: Grant | |
| Number of Injection Wells** | Production Zone(s): Chase Group | |
| Field Name: HUGOTON GAS AREA | - Injection Zone(s): | |
| ** Side Two Must Be Completed. | | |
| Surface Pit Permit No.: | feet fromN /S Line of Section | |
| Surface Pit Permit No.: (API No. if Drill Pit, WO or Haul) | feet from E / W Line of Section | |
| Type of Pit: Emergency Burn Settling | Haul-Off Workover Drilling KH | |
| Past Operator's License No. 5447 | Contact Person: Brent G. Sonnier | |
| Past Operator's Name & Address: OXY USA Inc | Phone: 713.366,5654 | |
| 5 Greenway Plaza, Suite 110, Houston, TX 77046 | Date: April 15, 2014 | |
| Title: Regulatory Manager | Signature: Brent Annin | |
| Togalatory manager | | |
| New Operator's License No. 32446 | - | |
| New Operator's Name & Address: Merit Energy Company, LLC | Contact Person: Arlene Valliquette | |
| 13727 Noel Rd., Ste. 1200, Dallas, TX 75240 | Phone: 972.628.1558 | |
| | Oil/Gas Purchaser: Occidental Energy Marketing Inc | |
| | Date: April 15, 2014 | |
| Title: Regulatory Manager | Signature: Welene Valligerette | |
| | Signature. | |
| And the second of Toronto The second of the | | |
| Acknowledgment of Transfer: The above request for transfer of injection | | |
| | on 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, LLCis acknowledged as | Merit Energy Company, LLC is acknowledged as | |
| the new operator and may continue to inject fluids as authorized by | the new operator of the above named lease containing the surface pit | |
| Permit No.: Recommended action: | permitted by No.: | |
| Vilene Valliantte | alene Valligenette | |
| Date: April 15, 2014 | Date: April 15, 2014 | |
| Authorized Signature | Authorized Signature | |
| DISTRICT EPR 9-19-14 PR | RODUCTION SEP 2 2 2014 UIC 9-22-14 | |
| Mail to: Past OperatorNew Operator | District | |

Side Two

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Must Be Filed For All Wells

| | ease No.: 203 | 3738 | | |
|----------|------------------------------|--|-----------------------------------|--------------------------------------|
| *Lease N | ame: Spikes 1 | *Location: T28S F | R36W, Sec. 19, NW NW | NW SE |
| 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) |
| 1 | 15-067-00162 ⁾ | FS'L FEL 2540 North, 2540 West, from SE eorner | 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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Kansas Corporation Commission Oil & Gas Conservation Division

Form KSONA-1 January 2014 Form Must Be Typed Form must be Signed All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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 | 1-1 (Cathodic Protection Borehole Intent) X T-1 (Transfer) CP-1 (Plugging Application) | |
|---|--|--|
| OPERATOR: License # 32446 | Well Location: | |
| Name: Merit Energy Company, LLC | County: Grant Lease Name: Spikes 1 | |
| Address 1:13727 Noel Rd., Ste. 1200 | | |
| City: Dallas State: TX Zip: 75240 | | |
| Contact Person: Arlene Valliquette | the lease below: | |
| Phone: (972) 628-1558 Fax: (972) 628-1858 | T28S R36W, Sec. 19, NW NW NW SE | |
| Email Address: Arlene.Valliquette@meritenergy.com | _ | |
| | | |
| Surface Owner Information: | When filing a Form T-1 involving multiple surface owners, attach an additional | |
| KENNETH & KATHRYN HAGERMAN 521 N JOYCE ST | 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 | |
| ULYSSES, KS 67880 | county, and in the real estate property tax records of the county treasurer. | |
| Select one of the following: | n the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. | |
| owner(s) of the land upon which the subject well is or will be | e Act (House Bill 2032), I have provided the following to the surface e located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form m being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address. | |
| KCC will be required to send this information to the surface | I acknowledge that, because I have not provided this information, the owner(s). To mitigate the additional cost of the KCC performing this ess of the surface owner by filling out the top section of this form and e KCC, which is enclosed with this form. | |
| If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CF | g fee with this form. If the fee is not received with this form, the KSONA-1 P-1 will be returned. | |
| I hereby certify that the statements made herein are true and correct | | |
| Date: April 15, 2014 Signature of Operator or Agent: | Stligerette Title: Regulatory Manager | |