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MAY 30 2014  
KCC WICHITA

SCANNED

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISIONREQUEST FOR CHANGE OF OPERATOR  
TRANSFER OF INJECTION OR SURFACE PIT PERMITForm 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 1 \*\*
- ☐ 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 KAPast Operator's License No. 5447Past Operator's Name & Address: OXY USA Inc5 Greenway Plaza, Suite 110, Houston, TX 77046Title: Regulatory ManagerEffective Date of Transfer: May 1, 2014KS Dept of Revenue Lease No.: 200118Lease Name: Baughman T 1Legal Description of Lease: T27S R35W, Sec. 24, C NE NE SWCounty: GrantProduction Zone(s): Chase Group

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

\_\_\_\_\_ feet from ☐ N / ☐ S Line of Section\_\_\_\_\_ feet from ☐ E / ☐ W Line of SectionNew Operator's License No. 32446New Operator's Name & Address: Merit Energy Company, LLC13727 Noel Rd., Ste. 1200, Dallas, TX 75240Title: Regulatory ManagerContact Person: Arlene ValliquettePhone: 972.628.1558Oil/Gas Purchaser: Occidental Energy Marketing IncDate: April 15, 2014Signature: 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 10-10-14 PRODUCTION OCT 13 2014 UID OCT 13 2014

Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

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**Must Be Filed For All Wells**

KDOR Lease No.: 300118

\*Lease Name: Baughman T 1

\*Location: T27S R35W, Sec. 24, C NE NE SW

| Well No. | API No.<br>(YR DRLD/PRE '67) | Footage from Section Line<br>(i.e. FSL= Feet from South Line)                 | Type of Well<br>(Oil/Gas/INJ/WSW) | Well Status<br>(PROD/TA'D/Abandoned) |
|----------|------------------------------|-------------------------------------------------------------------------------|-----------------------------------|--------------------------------------|
| 1        | 15-067-00295✓                | <del>2540 North</del> <sup>FSL</sup> 2540 <sup>FWL</sup> East, from SW 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: Baughman 'T' 1  
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:  
T27S R35W, Sec. 24, C NE NE SW

**Surface Owner Information:**

MARSHALL K & SHAWNA SMITH  
14548 E RD 5  
SATANTA, KS 67870

*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

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