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: | MUST be subn | mitted with this form. | |
|--|--|---|--|
| Oil Lease: No. of Oil Wells | ** | Effective Date of Transfer: May 1, 2014 | |
| Gas Lease: No. of Gas Wells 9 i | ** - | KS Dept of Revenue Lease No.: 201960 | |
| Gas Gathering System: | We de la Colonia de Co | Lease Name: Horton 'B' 3 | |
| Saltwater Disposal Well- Permit No.: | | Lease Name. Hotom b 3 | |
| Spot Location:feet fromfeet from | N / S Line E / W Line | Legal Description of Lease: T35S R42W, Sec. 11, NE | |
| Enhanced Recovery Project Permit No.: | | | |
| Entire Project: Yes No | | County: Morton | |
| Number of Injection Wells | ** | | |
| | | Production Zone(s): Wabaunsee, Topeka | |
| Field Name: GREENWOOD GAS AREA | latad | Injection Zone(s): | |
| ** Side Two Must Be Compl | etea. | feet from N / S Line of Section | |
| Surface Pit Permit No.:(API No. if Drill Pit, V | VO or Haul) | feet from E / W Line of Section | |
| Type of Pit: Emergency Burn | Settling | feet from E / W Line of Section Haul-Off Workover Drilling | |
| | | | |
| Past Operator's License No. 5447 | · · · · · · · · · · · · · · · · · · · | Contact Person: Brent G. Sonnier | |
| Past Operator's Name & Address: OXY USA Inc | | Phone: 713.366.5654 | |
| | | Date: April 15, 2014 | |
| 5 Greenway Plaza, Suite 110, Houston, TX 77046 | | | |
| Title: Regulatory Manager | | Signature: Brentot American | |
| New Operator's License No. 32446 | | _ | |
| | | Contact Person: Arlene Valliquette | |
| New Operator's Name & Address: Merit Energy Company, LLC | | Phone: 972.628.1558 | |
| 13727 Noel Rd., Ste. 1200, Dallas, TX 75240 | | Oil/Gas Purchaser: Occidental Energy Marketing Inc | |
| | | | |
| Title: Regulatory Manager | | Date: April 15, 2014 - When Vallimette | |
| | | Signature: | |
| | | | |
| Acknowledgment of Transfer: The above reques | st for transfer of injection | authorization, surface pit permit #has been | |
| noted, approved and duly recorded in the records | of the Kansas Corporation | on Commission. This acknowledgment of transfer pertains to Kansas Corporation | |
| Commission records only and does not convey any | ownership interest in the | e above injection well(s) or pit permit. | |
| | | | |
| Merit Energy Company, LLC | _is acknowledged as | Merit Energy Company, LLCis acknowledged as | |
| ne new operator and may continue to inject flu | iide as authorized by | the new operator of the above named lease containing the surface pit | |
| | | | |
| Permit No.: Recommended ac | | permitted by No.: | |
| alene Vall | inte | Orlene Valliguette | |
| Pate: April 15, 2014 Authorized Signs | ature | Date: April 15, 2014 Authorized Signature 11 | |
| | | OCT I 3 RECEIVED | |
| DISTRICTEPR Mail to: Past Operator | New Operator | | |
| | | WMT 10 ZU14 | |

Side Two

Must Be Filed For All Wells

| KDOR Le | ease No.: <i>QO</i> | 1960 | | |
|----------|------------------------------|--|-----------------------------------|--------------------------------------|
| *Lease N | ame: Horton 'B' 3 | *Location:_T35S R | 42W, Sec. 11, NE | |
| 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 | 15-129-20428-0002 / | FIL FEC 1980 South 1320 West from NF corner | GAS | Producina |

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) C | B-1 (Cathodic Protection Borehole Intent) X T-1 (Transfer) CP-1 (Plugging Application) | |
|--|---|--|
| OPERATOR: License # 32446 | Well Location: | |
| Name: Merit Energy Company, LLC | County: Morton | |
| Address 1:13727 Noel Rd., Ste. 1200 | Lease Name: Horton 'B' 3 | |
| City: Dallas State: TX Zip: 75240 | If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: T35S R42W, Sec. 11, NE | |
| Contact Person: Arlene Valliquette | | |
| Phone: (972) 628-1558 Fax: (972) 628-1858 | | |
| Email Address: Arlene.Valliquette@meritenergy.com | | |
| Surface Owner Information: PATE, BEN L, FAM TR & PATE, BARBARA J LIV TR | 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 | |
| P O BOX 370 | | |
| ELKHART, KS 67950 | county, and in the real estate property tax records of the county treasurer. | |
| Select one of the following: I certify that, pursuant to the Kansas Surface Owner Not owner(s) of the land upon which the subject well is or will CP-1 that I am filing in connection with this form; 2) if the form; and 3) my operator name, address, phone number, far | | |
| KCC will be required to send this information to the surface |). I acknowledge that, because I have not provided this information, the ce owner(s). To mitigate the additional cost of the KCC performing this dress of the surface owner by filling out the top section of this form and the KCC, which is enclosed with this form. | |
| If choosing the second option, submit payment of the \$30.00 hand form and the associated Form C-1, Form CB-1, Form T-1, or Form | lling fee with this form. If the fee is not received with this form, the KSONA-1 CP-1 will be returned. | |
| I hereby certify that the statements made herein are true and corre | ct to the best of my knowledge and belief. | |
| Date: April 15, 2014 Signature of Operator or Agent: | Title: Regulatory Manager | |

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