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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 submitted. | ed with this form. | | |
|--|--|--|--|
| ✓ Oil Lease: No. of Oil Wells** | Effective Date of Transfer: May 1, 2014 | | |
| Gas Lease: No. of Gas Wells** | KS Dept of Revenue Lease No.: 145247 / Lease Name: Kells F 2 | | |
| Gas Gathering System: | | | |
| Saltwater Disposal Well - Permit No.: | | | |
| Spot Location: feet from N / S Line | <u>SW</u> - <u>NE</u> - <u>SE</u> - <u>SE</u> <u>Sec</u> , <u>30</u> Twp. <u>27S</u> R. <u>33W</u> | | |
| feet from E / W Line | Legal Description of Lease: NE SE SE Section 30-T27S-R33W | | |
| Enhanced Recovery Project Permit No.: | | | |
| Entire Project: Yes No | County: Haskell | | |
| Number of Injection Wells ** | Production Zone(s): Morrow & Chester | | |
| Field Name: unnamed | | | |
| ** Side Two Must Be Completed. | Injection Zone(s): | | |
| Surface Pit Permit No.: | feet from N / S Line of Section | | |
| (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 | | |
| | Triadi Cit. Triang Triang | | |
| Past Operator's License No | Contact Person: Thomas B. Noto | | |
| Past Operator's Name & Address: OXY USA Inc. | Phone: 713-215-7264 | | |
| 5 Greenway Plaza, Suite 110, Houston, TX 77046 | Date: July 31, 2014 | | |
| Title: Attoney-in-Fact & Regional Land Manager | TO BOYET | | |
| little: /ttorio, sat s. rag.o | Signature: | | |
| 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 Road, Suite 1200 | Oil / Gas Purchaser: Merit Energy Company, LLC | | |
| Dallas, TX 75240 | Date: July 31, 2014 | | |
| Title: N. Division Regulatory Manager | Signature: Where Vallequette | | |
| | | | |
| Acknowledgment of Transfer: The above request for transfer of injection a | authorization, surface pit permit # has been | | |
| noted, approved and duly recorded in the records of the Kansas Corporation C | Commission. This acknowledgment of transfer pertains to Kansas Corporation | | |
| Commission records only and does not convey any ownership interest in the a | bove injection well(s) or pit permit. | | |
| is acknowledged as | 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.: | | |
| | | | |
| Date: | Date: | | |
| Authorized Signature | Authorized Signature | | |
| · · | PRODUCTION OCT 1 6 2014 UIC OCT 1 6 2014 | | |
| Mail to: Past Operator New Operato | r District | | |

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Side Two

Must Be Filed For All Wells

| KDOR Lease | No.: 14524 | 7/ | | | |
|---------------|------------------------------|---|-----------------------|-----------------------------------|--------------------------------------|
| * Lease Name: | Kells F 2 | | * Location: | IE SE SE Section 30-T2 | 27S-R33W |
| Well No. | API No. (YR DRLD/PRE '67) | Footage from Section Line (i.e. FSL = Feet from South Li | | Type of Well (Oil/Gas/INJ/WSW) | Well Status (PROD/TA'D/Abandoned) |
| 2 | 15-081-22043-0000 | 770 Circle FSL)FNL | 343 Circle FEL FWL | Oil | Producing |
| | | FSL/FNL | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | |
| | | | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | · |
| | | FSL/FNL | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | |
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| | | | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | · |
| | | FSL/FNL | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | |
| | | FSL/FNL | FEL/FWL | | |
| | | FSI /FNI | FEL/FWL | | |
| | | | FEL/FWL | | |

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 | (Cathodic Protection Borehole Intent) X T-1 (Transfer) CP-1 (Plugging Application) | | | |
|---|--|--|--|--|
| OPERATOR: License # 32446 | Well Loadion | | | |
| Name: Merit Energy Company, LLC | Well Location: SW_NE_SE_SE_Sec. 30 Twp. 27 S. R. 33 ☐ East 🗷 West | | | |
| Name: Merit Energy Company, LLC Address 1: 13727 Noel Road, Suite 1200 | County Haskell | | | |
| Address 2: | Lease Name: Kells F Well #: 2 | | | |
| 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: | | | |
| Contact Person: Arlene Valliquette | | | | |
| Contact Person: Arlene Valliquette Phone: (972) 628-1558 Fax: (972) 628-1858 | | | | |
| Email Address: arlene.valliquette@meritenergy.com | | | | |
| Surface Owner Information: Russell Kells Farms LLC | | | | |
| Name: 1.605 E. Kansas Ave. | 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. | | | |
| Name: Russell Kells Farms LLC Address 1: 605 E. Kansas Ave. Address 2: | | | | |
| City: Garden City State: KS Zip: 67846 + | | | | |
| the KCC with a plat showing the predicted locations of lease roads, tail | nodic Protection Borehole Intent), you must supply the surface owners and not batteries, pipelines, and electrical lines. The locations shown on the plat on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. | | | |
| I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will be | Act (House Bill 2032), I have provided the following to the surface located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form 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 of | acknowledge that, because I have not provided this information, the owner(s). To mitigate the additional cost of the KCC performing this as of the surface owner by filling out the top section of this form and a 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 | ng 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 | to the best of my knowledge and belief. | | | |
| 7/31/2014 Date: Signature of Operator or Agent: | N. Division Regulatory Manager | | | |
| Mail to: KCC - Conservation Division. 130 | S. Market - Room 2078. Wichita. Kansas 67202 | | | |