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AUG 20 2014
KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

050114_Watson_B_2.pdf

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 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

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

Effective Date of Transfer: May 1, 2014

KS Dept of Revenue Lease No.: 221583 ✓

Lease Name: Watson B

NE - NE - SW - SW Sec. 27 Twp. 30S R. 32 ☐ E ☒ W

Legal Description of Lease: Section 27-T30S-R32W

County: Haskell

Production Zone(s): Chase Group

Injection Zone(s): _____

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

_____ feet from ☐ N / ☐ S Line of Section

_____ feet from ☐ E / ☐ W Line of Section

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

Past Operator's License No. 5447 ✓

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: Attorney-in-Fact & Regional Land Manager

Signature: Te B Noto

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: 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.

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

Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____ .

Date: _____
Authorized Signature

DISTRICT _____ EPR 10-9-14 PRODUCTION OCT 10 2014 UIC OCT 10 2014
Mail to: Past Operator _____ New Operator _____ District _____

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

* 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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AUG 20 2014
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Form KSONA-1
January 2014
Form Must Be Typed
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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) ☒ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 32446
Name: Merit Energy Company, LLC
Address 1: 13727 Noel Road, Suite 1200
Address 2: _____
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:
NE NE SW SW Sec. 27 Twp. 30 S. R. 32 ☐ East ☒ West
County: Haskell
Lease Name: Watson B Well #: 2

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Marshall & Sue ann Watson
Address 1: P. O. Box 978
Address 2: _____
City: Sublette State: KS Zip: 68777 + _____

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: 7/31/2014 Signature of Operator or Agent: Arlene Valliquette Title: N. Division Regulatory Manager

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