

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:

- ☒ Oil Lease: No. of Oil Wells 4 \*\*
- ☐ Gas Lease: No. of Gas Wells \_\_\_\_\_ \*\*
- ☐ 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.: E23046, E23078, E00326
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells 108 \*\*

Field Name: HAVANA WAYSIDE**\*\* Side Two Must Be Completed.**Effective Date of Transfer: 07152013KS Dept of Revenue Lease No.: 144799 ✓Lease Name: HUFFMAN LEASESec. 9 Twp. 34 R. 14 ☒ E ☐ WLegal Description of Lease: E/2 NW/4 AND NE/4County: MONTGOMERY**KCC WICHITA**Production Zone(s): WAYSIDE**MAY 01 2014**Injection Zone(s): WAYSIDE**RECEIVED**Surface Pit Permit No.: E23046, E23078, E00326

(API No. if Drill Pit, WO or Haul)

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

Past Operator's License No. \_\_\_\_\_

Contact Person: \_\_\_\_\_

**KCC WICHITA**

Past Operator's Name &amp; Address: \_\_\_\_\_

Phone: \_\_\_\_\_

**MAR 26 2014**

Date: \_\_\_\_\_

**RECEIVED**Title: Oil + Gas Lease Attached

Signature: \_\_\_\_\_

New Operator's License No. 9722 ✓Contact Person: GENE NUNNELEYNew Operator's Name & Address: G&J OIL COMPANY, INCPhone: 620-252-9700

P O BOX 188

Oil / Gas Purchaser: PACER

CANEY, KS 67333

Date: 03242014Title: PRESIDENTSignature: Gene Nunneley

**Acknowledgment of Transfer:** The above request for transfer of injection authorization, surface pit permit # E23046, E23078, E00326 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.

G&J Oil Company Inc is acknowledged as  
the new operator and may continue to inject fluids as authorized by

Permit No.: E-00326 Recommended action: NeedUSC's for last Syrs 2009-2013Date: 12-10-14 Cheryl Beyer

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 5/2/14PRODUCTION DEC 11 2014UIC 12-10-14Mail to: Past Operator 12-10-14New Operator 12-10-14District ③12-10-14

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

## Must Be Filed For All Wells

KDOR Lease No.: 144799\* Lease Name: HUFFMAN LEASE\* Location: E/2 NW/4 AND NE/4

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)
038	1512522408 (1980)	4940 <sup>Circle</sup> FSL/FNL 2860 <sup>Circle</sup> FEL/FWL	OIL	PROD
040	1512522483 (1980)	4940 FSL/FNL 2310 FEL/FWL	OIL	PROD
Q40	1512522420 (1980)	4290 FSL/FNL 660 FEL/FWL	OIL	PROD
Q42	1512522421 (1980)	4290 FSL/FNL 110 FEL/FWL	OIL	PROD
E 00326 N137	1512521520 (1982)	✓ 5250 FSL/FNL 2660 FEL/FWL	INJ	ACTIVE
N139	1512524795 (1982)	5250 FSL/FNL 2200 FEL/FWL	INJ	ACTIVE
P139	22439 1512524795 (1082)	4620 FSL/FNL 2200 FEL/FWL	INJ	ACTIVE
P141	1512522440 (1980)	4620 FSL/FNL 1760 FEL/FWL	INJ	ACTIVE
P143	1512522432 (1980)	4620 FSL/FNL 1320 FEL/FWL	INJ	ACTIVE
P145	1512522433 (1980)	4620 FSL/FNL 880 FEL/FWL	INJ	ACTIVE
P147	1512522434 (1980)	4620 FSL/FNL 440 FEL/FWL	INJ	ACTIVE
P149	1512524793 (1982)	4620 FSL/FNL 30 FEL/FWL	INJ	ACTIVE
E 00326 P131	1512522026 (19..)	✓ 4620 FSL/FNL 3980 FEL/FWL	INJ	ACTIVE
P133	1512522027 (19..)	✓ 4620 FSL/FNL 3520 FEL/FWL	INJ	ACTIVE
P137	1512522024 (19..)	✓ 4620 FSL/FNL 2660 FEL/FWL	INJ	ACTIVE
N133	1512521518 (19..)	✓ 5250 FSL/FNL 3520 FEL/FWL	INJ	ACTIVE
N135	1512521519 (1982)	✓ 5250 FSL/FNL 3080 FEL/FWL	INJ	ACTIVE
N143	15-125-24797 15125 NOT AVAILABLE (1983)	5250 FSL/FNL 1320 FEL/FWL	INJ	ACTIVE
R137	1512522441 (1980)	3960 FSL/FNL 2660 FEL/FWL	INJ	ACTIVE
R139	1512522639 (1981)	3960 FSL/FNL 2200 FEL/FWL	INJ	ACTIVE
R141	1512522685 (1981)	3960 FSL/FNL 1760 FEL/FWL	INJ	ACTIVE
R143	1512522442 (1980)	3960 FSL/FNL 1320 FEL/FWL	INJ	ACTIVE
R149	1512524794 (1982)	3960 FSL/FNL 40 FEL/FWL	INJ	ACTIVE
E 00326 P135	1512522028	✓ 4620 FSL 3080 FEL/FWL	INJ	ACTIVE
N135	1512522328	✓ 3960 FSL/FNL 3080 FEL/FWL	INJ	ACTIVE

A separate sheet may be attached if necessary

Per G. Nunneley - wells to be renamed to Huffman 5/2/14  
 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  
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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 # 9722  
Name: G & J OIL COMPANY INC  
Address 1: P O BOX 188  
Address 2: \_\_\_\_\_  
City: CANEY State: KS Zip: 67333 + 0188  
Contact Person: GENE NUNNELEY  
Phone: ( 620 ) 252-9700 Fax: ( 620 ) 331-1367  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_- Sec. 9 Twp. 34 S. R. 14 ☒ East ☐ West  
County: MONTGOMERY  
Lease Name: HUFFMAN LEASE Well #: \_\_\_\_\_  
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:  
E/2 NW/4 AND NE/4

**Surface Owner Information:**

Name: JIMMY AND VIRGINIA HUFFMAN  
Address 1: 1966 CR 2800  
Address 2: \_\_\_\_\_  
City: HAVANA State: KS Zip: 67348 + \_\_\_\_\_

*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.

03242014  
Date: \_\_\_\_\_ Signature of Operator or Agent:  Title: AGENT-CONTROLLER

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**MAY 01 2014**

**MAR 26 2014**

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

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## OIL AND GAS LEASE

THIS AGREEMENT, entered into this 6<sup>th</sup> day of December, 2013, between Jimmy L. Huffman and Virginia F. Huffman, Co-Trustees of The Jimmy L. Huffman and Virginia F. Huffman Trust, dated the 29<sup>th</sup> day of March, 2006, (hereinafter called lessor) and G & J. Oil Company, Inc., (hereinafter called lessee), does witness:

1. That lessor, for and in consideration of the sum of One Dollar (\$1.00) in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let, and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, for the purpose of carrying on geological, geophysical, and other exploratory work, including core drilling, and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline, including all associated hydrocarbons produced in a liquid or gaseous form and including gas found in and produced from coal formations or coal seams and all zones in communication therewith, which gas is sometimes referred to as coal bed methane, coal seam gas or occluded gas and all other gases and their respective constituent vapors, (including coalbed methane gas, helium, and all other constituents and substances produced therewith), including the dewatering for production of coalbed methane gas, and for constructing roads, laying pipe lines, building tanks, storing oil, and erecting other structures thereon which are necessary or convenient for the economical operation of said land to produce, save, take care of, and manufacture all of such substances, said tract of land with any reversionary rights therein being situated in the county of Montgomery, state of Kansas, and described as follows:

The East Half of the Northwest Quarter (E/2 NW/4) of Section 9, Township 34 South, Range 14 East, Montgomery County, Kansas

containing 80 acres, more or less.

2. This lease shall remain in force for a term of one (1) year from the date hereof, and as long thereafter as oil, gas, casinghead gas, casinghead gasoline, or any of the products covered by this lease are or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells, the equal fifteen percent (15%) of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such fifteen percent (15%) royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty fifteen percent (15%) of the market value of such gas at the mouth of the well. The lessee shall pay to lessor for gas of whatsoever nature or kind (with all of its constituents) and all other substances covered hereby sold by lessee, a royalty of fifteen percent (15%) of the net proceeds realized by lessee from the sale thereof, less a proportionate part of the ad valorem, production, severance and other excise taxes and any costs incurred by lessee in delivering, processing, compressing, transporting, dehydrating, or otherwise making gas or other substances merchantable with said payments to be made monthly, not more than sixty (60) days following

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the last day of the month in which gas is delivered into the pipeline and credited to lessee's account by the gas purchaser.

5. If Lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work, other than surveying or staking the location, is done thereon which is necessary for such operations.

6. In case said lessor owns a less interest in the above-described land, other than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

7. The lessee shall have the right to use gas, oil, and water found on said land for its operations thereon, except water from the wells or ponds of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the prior written consent of the lessor. Lessee shall have the right at any time during, and within six (6) months after the expiration of this lease, to remove all machinery, fixtures, houses, buildings, and other structures placed on said premises, including the right to draw and remove all casing. Lessee shall grade to the original level and restore the surface to its original condition, as nearly as practicable, within six (6) months after the expiration of this lease.

8. If the estate of either party hereof is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage.

10. Lessor hereby warrants and agrees to defend the title to the land herein-described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or

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other liens existing, levied, or assessed on or against the above-described lands and, in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax, or other lien, any royalty or rentals accruing hereunder.

11. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate, provided lessee (a) resumes production, (b) initiates operations for recompleting an existing well within sixty (60) days from such cessation or (c) initiates operations for drilling a new well within sixty (60) days from such cessation, and this lease shall remain in force during the diligent prosecution of such operations and, if production results therefrom, then as long as production continues.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled, shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease, shall not be in any way terminated wholly or partially, nor shall the lessee be liable in damages for failure to comply with, any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules, or regulations (or interpretations thereof). If, during the last six months of the primary term hereof, lessee should be prevented from drilling a well hereunder by the order of any constituted authority having jurisdiction there over, the primary term of this lease shall continue until six months after said order is suspended.

14. This lease may not be assigned by the Lessee without the prior written consent of Lessor. Lessor agrees not to unreasonably withhold their consent to any such assignment.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

16. This Oil and Gas Lease shall be merged and combined with that certain Oil and Gas Lease dated July 15, 2013, and recorded in Book 619, Records, Pages 507-510, covering the Northeast Quarter (NE/4) of Section 9, Township 34 South, Range 14 East, Montgomery County, Kansas.

**KCC WICHITA**

**MAY 01 2014**

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State of Kansas, Montgomery County  
This instrument was filed for  
Record on December 13, 2013 09:16:00 AM  
Recorded in Book 624 Page 1257-1260  
Fee: \$20.00 201305088



*Marilyn Calhoun*

Marilyn Calhoun, Register of Deeds

**KCC WICHITA**

**MAR 26 2014**

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IN WITNESS WHEREOF, we sign the day and year first above written.

The Jimmy L. Huffman and Virginia F. Huffman  
Trust dated the 29<sup>th</sup> day of March, 2006

Dec. 6, 2013 Jimmy L. Huffman Trustee  
Jimmy L. Huffman, Co-Trustee, Lessor

Dec. 6, 2013 Virginia F. Huffman Trustee  
Virginia F. Huffman, Co-Trustee, Lessor

STATE OF KANSAS                     )  
  )  
COUNTY OF MONTGOMERY        )

The foregoing instrument was acknowledged before me this 6 day of December, 2013, by Jimmy L. Huffman and Virginia F. Huffman, Co-Trustees of The Jimmy L. Huffman and Virginia F. Huffman Trust dated the 29<sup>th</sup> day of March, 2006, the said Co-Trustees being husband and wife.

Sandra P. Cole  
NOTARY PUBLIC

My Appointment Expires:



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RATIFICATION OF OIL AND GAS LEASE

STATE OF KANSAS )  
 ) SS:  
COUNTY OF MONTGOMERY )

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, for and in consideration of One Dollar (\$1.00), to them in hand paid, the receipt whereof is hereby acknowledged, do hereby ratify, approve and confirm that certain oil and gas lease dated July 15, 2013, executed by Jimmy L. Huffman and Virginia F. Huffman, husband and wife, Lessors, to G. & J. Oil Company, Inc., Lessee, covering the following described real estate situated in the County of Montgomery, and State of Kansas, to-wit:

The Northeast Quarter (NE/4) of Section 9, Township 34 South, Range 14 East, Montgomery County, Kansas

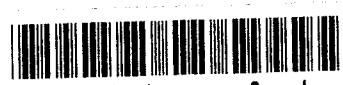
and recorded in Book 619 of Records, at Page 537, in the office of the Register of Deeds of Montgomery County, Kansas; and the undersigned hereby fully recognize said oil and gas lease as being in full force and effect.

Dated this 22 day of July, 2013.

The Jimmy L. Huffman and Virginia F. Huffman Trust dated the 29<sup>th</sup> day of March, 2006

Jimmy L. Huffman Trustee  
Jimmy L. Huffman, Trustee

Virginia F. Huffman Trustee  
Virginia F. Huffman, Trustee



State of Kansas, Montgomery County  
This instrument was filed for  
Record on July 23, 2013 09:19:00 AM  
Recorded in Book 619 Page 846-847  
Fee: \$12.00 201303010



Marilyn Calhoun  
Marilyn Calhoun, Register of Deeds

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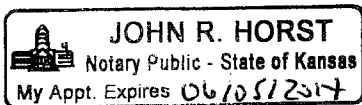
**ACKNOWLEDGMENT**

STATE OF KANSAS                    )  
  )SS:  
COUNTY OF MONTGOMERY        )

The foregoing instrument was acknowledged before me this 22nd day of July, 2013, by Jimmy L. Huffman and Virginia F. Huffman, Trustees of the Jimmy L. Huffman and Virginia F. Huffman Trust dated the 29<sup>th</sup> day of March, 2006.

  
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My Appointment Expires:



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