

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
July 2014

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: Hale-Inge

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

Effective Date of Transfer: 11-7-2014

KS Dept of Revenue Lease No.: 224497

Lease Name: D. Monroe

E2 NW SE Sec. 26 Twp. 32s R. 12 ☒ E ☐ W

Legal Description of Lease: SE/4 of Section 26

and that part of the E/2 SW/4

County: Chautauqua

Production Zone(s): Cherokee Coals

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 OR ☐ Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Landowner

Date: Please see attached New Lease

Title: _____

Signature: Add'l Info On File

New Operator's License No. 34301 ✓

Contact Person: Kyler Finney

New Operator's Name & Address: Kyler Finney, d/b/a Finney Oil Company

Phone: 918-440-8878

P.O. Box 87 Wann, OK 74083

Oil / Gas Purchaser: Coffeyville Resources

Date: 11-7-2014

Title: Owner

Signature: Kyler Finney

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 01-5-15 PRODUCTION 1-6-15 UIC 1-6-15

Mail to: Past Operator _____ New Operator _____ District _____

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1
July 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 # 34301
Name: Finney Oil Company
Address 1: P.O. Box 87
Address 2: _____
City: Wann State: OK Zip: 74083 + _____
Contact Person: Kyler Finney
Phone: (918) 440-8878 Fax: (_____) _____
Email Address: kfinney@finneyoilco.com

Well Location:
E/2 -NW- SE Sec. 26 Twp. 32 S. R. 12 ☒ East ☐ West
County: Chautauqua
Lease Name: D. Monroe Well #: 1

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

KCC WICHITA

NOV 26 2014

RECEIVED

Surface Owner Information:

Name: David L. Monroe, Debbie D. Monroe, and Jerrod W. Monroe
Address 1: 2696 Ranch Road
Address 2: _____
City: Elk City State: KS Zip: 67344 + _____

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: 11-7-14 Signature of Operator or Agent: Kyler Finney Title: Owner

OIL AND GAS LEASE

THIS AGREEMENT, made and entered into this **7th** day of **November**, **2014**, by and between David L. Monroe and Debbie D. Monroe, husband and wife, and Jerrod W. Monroe, whose address is 2696 Ranch Rd, Elk City, KS 67344 hereinafter called Lessor (whether one or more), and **Rising Energy, LLC.**, whose address is P.O. Box 108, Independence, KS 67301, hereinafter called Lessee, does witness:

1. That the said Lessor, for and in consideration of TEN OR MORE DOLLARS cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let exclusively unto Lessee, for the sole and only purposes of investigating, exploring by geophysical and other means, drilling, producing, saving, taking, owning, gathering, transporting, storing, handling, processing, treating, and marketing; oil and liquid hydrocarbons (including, but not limited to, distillates and condensates) and all gases (including, but not limited to, casinghead gas, methane gases from coals and shales, helium and all other constituents and substances produced therewith) and; to the extent reasonably necessary or convenient to enable Lessee to carry out said purposes, including the dewatering for production of any gases, the right of constructing, operating and maintaining pipelines, flowlines, gathering lines, compressors, tank batteries, electric lines, roadways, metering facilities and equipment, facilities for the injection of water, other fluids and gaseous substances into subsurface strata, and other facilities, structures, and equipment required by Lessee for said purposes; all of the following described land, together with any reversionary rights and after acquired interest therein, situated in the County of **Chautauqua**, State of Kansas described as follows, to wit:

T32S, R12E, Chautauqua County, Kansas

Section 26: -SE/4 and that part of the E/2 SW/4

and containing **170** acres, more or less (herein called leased premises).

2. This lease shall remain in full force for a term of **three years** from the Effective Date, and as long thereafter as oil or gas, or either of them, is produced from the leased premises, or the leased premises are being developed or operated, including dewatering operations, or are otherwise perpetuated as provided herein.

3. In consideration of these premises Lessee covenants and agrees:

(a) To deliver to the credit of Lessor, as royalty, **one-eighth (1/8)** part of the oil produced and saved from the leased premises, said payments to be made monthly.

(b) To pay Lessor, as royalty, for gas of whatsoever nature or kind (with all of its constituents) produced from said land (i) when sold by Lessee, **one-eighth (1/8)** of the net amount realized by Lessee, computed at the wellhead.

(c) To bury all pipelines associated with this lease below normal plow depth.

(d) To avoid drilling a well closer than 200 feet to the house(s) now existing on the leased premises.

4. During any period (whether before, on, or after the expiration of the primary term hereof), at any time, and from time to time, when gas is not being sold or used and a gas well capable of producing in paying quantities is shut-in on the leased premises, whether or not said well has theretofore actually produced, and there is no current production of oil or gas or operations on the leased premises, sufficient to keep this lease in force, this lease shall, nonetheless, remain in full force and effect, and it will be deemed that gas is being produced in paying quantities. As to any well so shut-in, whether one or more, Lessee shall be obligated to pay or tender to Lessor a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, the payment or tender of such sum to be due on or before the anniversary date of this lease next ensuing after the expiration of 120 days from the date that the well is shut-in and thereafter on the anniversary date of this lease during the period in which the well is continuously shut-in; and this lease shall not terminate for a failure of Lessee to pay or tender royalty pursuant to this provision, but lessee shall be obligated to promptly pay Lessor the amount of the shut-in royalty due. If any payment made hereunder shall be erroneous in any regard (whether deposited in the wrong depository, paid to parties other than the ones entitled thereto as shown by Lessee's records, in an incorrect amount, or otherwise) or shall not be timely made, this lease shall be maintained in the same manner as if such erroneous payment or deposit

had been properly made, provided that the erroneous payment or deposit be corrected within 30 days after receipt by Lessee of written notice from such Lessor of such error accompanied by any documents or other evidence necessary to enable Lessee to make proper payment.

5. All of Lessee's operations shall be conducted at the sole cost, risk and expense of Lessee and Lessee agrees to indemnify, defend and hold Lessor harmless from any and all claims, liens, demands, judgments and liabilities of whatsoever nature arising out of Lessee's operations. At all times during the term of this lease, Lessee shall carry and require all contractors performing work under this lease to carry insurance to protect all relevant parties from loss or liability in accordance with amounts and coverages normally carried by prudent operators in similar operations in the area.

6. If, at the expiration of the primary term of this lease, there is no well on the leased premises which is capable of producing oil or gas in paying quantities, but Lessee is then engaged in drilling or reworking operations, then this lease shall continue in force so long after the primary term as drilling or reworking operations are being conducted on said land and drilling or reworking operations shall be considered to be conducted if not more than one-hundred-twenty (120) consecutive days shall lapse between the completion or abandonment of a well and the beginning of operations for the drilling or reworking of the well or another well whether such completion or abandonment occurred during or after the primary term.

7. If, after the expiration of the primary term, at any time, or from time to time, there is no production from Lessee's well(s), and there is no well on the leased premises which is capable of producing oil or gas in paying quantities and there are no drilling or reworking operations being conducted on the leased premises, this lease shall continue in effect if, within 60 days from the date of cessation of production or drilling or reworking operations, Lessee restores the capability of a well to produce in paying quantities, or if Lessee has commenced additional drilling or reworking operations or other operations designed to restore production, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then this lease shall remain in force as long as such production continues.

8. If said Lessor owns a less interest in the leased premises than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid to the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire lease area. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil or gas produced from such separate tracts.

9. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to its heirs, executors, administrators, successors or assigns. However, no change in or division of the ownership of the right to receive royalties, delay rentals or other payment to Lessor hereunder, whether such change is by assignment, partition or otherwise, shall operate to increase or enlarge the obligation or to diminish the rights of Lessee hereunder. No change in the ownership of the land or assignment of royalties shall be binding on Lessee until after Lessee has been furnished with a written transfer or deed or a true copy thereof. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission on the part of any other leasehold owner. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

10. Lessee may at any time and from time to time surrender this lease as to all or any part of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper county, and thereafter Lessee shall be relieved of all obligations accruing hereunder as to the portion of the leased premises so surrendered. This lease shall continue in full force and effect as to all of the leased premises not surrendered. Lessee shall have the right to use, free of cost, gas, oil and water produced on the leased premises for Lessee's operations thereon, except water from wells of Lessor, or from ponds of Lessor without Lessor's consent. Lessee shall have the right at any time to remove all equipment and fixtures placed on the leased premises, including the right to draw and remove casing.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and producing of wells, and the price of oil, gas and other substances covered hereby. When drilling, reworking, producing or other operations are prevented or delayed by such laws, rules, regulations or orders, or by operation of force majeure, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and if such prevention or delay shall occur during the primary term the period of such prevention or delay shall be added to the primary term hereof. If any such prevention or delay should commence after the primary term hereof, this lease shall not terminate because of such prevention or delay.

12. Lessor hereby grants and warrants to the Lessee all of the rights granted to the Lessee under this lease and warrants that Lessor has merchantable title to the leased premises, subject to mortgages and easements of record, and that Lessor has full and exclusive right to lease the same. Lessor further warrants and agrees to defend the title to the leased premises and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the leased premises, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof. Lessee may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty, shut-in royalty, or rentals accruing hereunder.

13. Lessee shall conduct all operations on the property as a reasonable and prudent operator and in such a way so as to cause the minimum amount of damage to the land and improvements thereon. Lessee shall promptly repair any and all ruts and clean up any spills, and will not allow unused equipment or junk to accumulate on the property. Upon termination of this lease, Lessee shall fully repair all damaged land not already repaired to as near as is practical to its condition prior to the commencement of operations.

14. If requested by Lessor, Lessee shall fence all wells, pits, tanks, ponds and equipment of any type that may be hazardous to livestock with a minimum of five wires, or equivalent thereto, with a fence post every rod.

15. Lessee shall indemnify and hold Lessor harmless from any and all liability, liens, claims and environmental liability arising out of Lessee's operation under this lease. Lessee shall fully remediate any damages to the leasehold premises arising from its operations under this lease.

16. This lease shall be effective as to each Lessor on execution hereof as to its interest and shall be binding on those signing, regardless of whether it is signed by any other Lessor party. This lease shall at all times and in all respects be subject to valid orders, rules, and regulations of any duly constituted authority having jurisdiction of the subject matter hereof. This instrument contains the entire agreement of the parties and it may not be changed or modified except by subsequent written agreement signed by both parties.

17. Lessee at its option, is hereby given the right and power to voluntarily pool or combine the lands covered by this Lease, or any portion thereof, as to oil and gas or either of them, with any other land, lease or leases adjacent thereto, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into units not exceeding eighty (80) acres for an oil well plus a tolerance of 10%, and not exceeding six hundred forty (640) acres, for a gas well plus a tolerance of 10%, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee shall execute in writing and record in the County Records an instrument identifying and describing the pooled acreage. The entire acreage so pooled into units shall be treated for all purposes, except the payment of royalties, as if it were included in the this Lease, and drilling or reworking operations thereon, or production of oil or gas or other hydrocarbons therefrom, or the completion thereon of a well as a shut-in gas well, shall be considered for all purposes, except the payment of royalties, as if such operations were on or such production were from, or such completion were on the lands covered by this Lease, whether or not the well or wells be located on the premises actually covered by this Lease. In lieu of royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive from a unit so formed only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein, bears to the total acreage so pooled.

IN WITNESS WHEREOF, this lease agreement is signed and executed on the 7th day of November, 2014.

LESSEE:

Rising Energy LLC.

LESSOR:

By: Kyle F. [Signature]

Name: Kyle F. [Signature]

Title: Operating Manager

David L. Monroe
DAVID L. MONROE

Debbie D. Monroe
DEBBIE D. MONROE

Jerrold W. Monroe
JERROLD W. MONROE

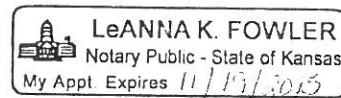
STATE OF Kansas,)
COUNTY OF Montgomery) SS:

Before me, the undersigned, a Notary Public, in and for said County and State, on this 7/11 day of November, 2014, personally appeared David L. Monroe and Debbie D. Monroe, husband and wife, and Jerrod W. Monroe, to me well known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

LeAnna K. Fowler
Notary Public

My commission expires November 19, 2015



STATE OF Kansas,)
COUNTY OF Montgomery) SS:

Before me, the undersigned, a Notary Public, in and for said County and State, on this 7/11 day of November, 2014, personally appeared **Kyler Finney** of **Rising Energy, LLC.**, to me well known to be the identical persons who executed the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.

LeAnna K. Fowler
Notary Public

My commission expires November 19, 2015

