

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 1 **
- ☐ Gas Lease: No. of Gas Wells _____ **
- ☐ Gas Gathering System: _____
- ☒ Saltwater Disposal Well - Permit No.: D-18,554
- Spot Location: 2970 feet from ☐ N / ☒ S Line
- 2145 feet from ☒ E / ☐ W Line
- ☐ Enhanced Recovery Project Permit No.: _____
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells _____ **

Field Name: Chase-Silica

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

Effective Date of Transfer: June 1, 2015

KS Dept of Revenue Lease No.: 104406 ✓

Lease Name: Tobias

 - S/2 - NE Sec. 6 Twp. 19 R. 9 ☐ E ☒ W

Legal Description of Lease: S/2 NE/4 Section 6-19S-9W

County: Rice

Production Zone(s): ARBUCKLE

Injection Zone(s): GRANITE WASH

**KCC WICHITA
MAY 28 2015
RECEIVED**

Surface Pit Permit No.: PO2889
(API No. if Drill Pit, WO or Haul)

2970 feet from ☐ N / ☒ S Line of Section

2310 feet from ☒ E / ☐ W Line of Section

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

Past Operator's License No. 5822 ✓

Contact Person: TODD ALLAM

Past Operator's Name & Address: VAL Energy, Inc.
125 N. Market, Suite 1710 Wichita, Kansas 67202

Phone: 316 263-6688

Date: 5/22/2015

Title: President

Signature: Todd Allam

New Operator's License No. 31528 ✓

Contact Person: MIKE KELSO

New Operator's Name & Address: MIKE KELSO OIL, INC.

Phone: 620 938-2943

P.O. Box n467

Oil / Gas Purchaser: _____

CHASE, KANSAS 67524-0467

Date: 5-27-15

Title: President

Signature: Mike Kelso

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # PO2889 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.

Mike Kelso Oil Inc is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: D-18,554 . Recommended action: None

Date: 6-2-15 Cheryl L Bayer
Authorized Signature

Mike Kelso Oil, Inc. is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: PO2889

Date: 6-1-15 Olivia Riososa
Authorized Signature cc: Kathy

DISTRICT	EPR	PRODUCTION	UIC
Mail to: Past Operator <u>6-2-15</u>	<u>6-1-15</u>	<u>6-5-15</u>	<u>6-2-15</u>
New Operator	<u>6-2-15</u>	District	<u>2</u> <u>6-2-15</u>

* Lease Name: Tobias * Location: S/2 NE/4 Section 6-19S-9W

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.

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 # 31528
Name: MIKE KELSO OIL INC
Address 1: PO BOX 467
Address 2: _____
City: CHASE State: KS Zip: 67524 + 0467
Contact Person: MIKE KELSO
Phone: (620) 938-2943 Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ S/2 - NE Sec. 6 Twp. 19 S. R. 9 ☐ East ☒ West
County: RICE
Lease Name: TOBIAS Well #: _____

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

S/2 NE/4 SEC 6-19S-9W

KCC WICHITA
MAY 28 2015
RECEIVED

Surface Owner Information:

Name: KRISTIN DOWNING AND LYNETTE DYER
Address 1: 309 E 16TH
Address 2: _____
City: HUTCHINSON State: KS Zip: 67501 + _____

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: 5-27-15 Signature of Operator or Agent: Mike Kelso Title: Pres.