

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: WILDCAT

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

Effective Date of Transfer: 7/1/2015

KS Dept of Revenue Lease No.: 231449

Lease Name: REED

_____ - E2 - NW Sec. 13 Twp. 19S R. 9 ☐ E ☒ W

Legal Description of Lease: Sec 13, T19S, R9W: E2 NW

3960 North, 3300 West, from SE Corner

County: RICE

Production Zone(s): _____

Injection Zone(s): _____

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

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

Past Operator's License No. 33725 ✓

Past Operator's Name & Address: FOUNDATION ENERGY MANAGEMENT, LLC
16000 DALLAS PARKWAY., SUITE 875, DALLAS, TX 75248

Title: VICE PRESIDENT

Contact Person: JOEL SAUER

Phone: 303-244-8113

Date: 8/4/2015

Signature: Joel Sauer

New Operator's License No. 30931 ✓

New Operator's Name & Address: DAYSTAR PETROLEUM, INC.
P.O. BOX 560
EUREKA, KS 67045-0560

Title: VICE PRESIDENT, COO

Contact Person: MATTHEW S. OSBORN

Phone: (620) 583-5527

Oil / Gas Purchaser: AMERICAN ENERGIES PIPELINE

Date: 8/10/15

Signature: Matthew S. Osborn

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 8-14-15 PRODUCTION 8-17-15 UIC 8-17-15
Mail to: Past Operator _____ New Operator _____ District _____

* Location: Sec 13, T19S, R9W: E2 NW

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* 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 2010
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 # 30931
Name: DAYSTAR PETROLEUM, INC.
Address 1: P.O. BOX 560
Address 2: _____
City: EUREKA State: KS Zip: 67045 + 0560
Contact Person: MATTHEW S. OSBORN
Phone: (620) 583-5527 Fax: (_____) _____
Email Address: matt@daystarpetroleum.com

Well Location:
_____ - E2 - NW Sec. 13 Twp. 19 S. R. 9 ☐ East ☒ West
County: RICE
Lease Name: REED Well #: 1-13
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

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Surface Owner Information:

Name: ESTELLE L. REED TRUST AND HAROLD REED TRUST
Address 1: 111 S ST. JOHN
Address 2: _____
City: LYONS State: KS Zip: 67554 + _____

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 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: 8/10/15 Signature of Operator or Agent: [Signature] Title: Vice-President