

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

080415_Rains_INJ.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 5 **
☐ 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.: E-23288
Entire Project: ☒ Yes ☐ No
Number of Injection Wells 1 **
Field Name: Tyro ✓

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

Effective Date of Transfer: August 4, 2015
KS Dept of Revenue Lease No.: 115825 ✓
Lease Name: Rains ✓
Sec. 10 Twp. 35 R. 15 ☒ E ☐ W
Legal Description of Lease: SW/4 of the Sec.10 Twp.35S R.15E ✓
County: Montgomery ✓
Production Zone(s): Unknown
Injection Zone(s): Unknown Wayside

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

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

Past Operator's License No. 33261 Exp. 6/30/08
Past Operator's Name & Address: Brower Oil & Gas Co., Inc.
6506 S. Lewis Ave., Ste 115, Tulsa, OK 74136
Title: Vic President/Sec.

Contact Person: Ashley Jones
Phone: 918-743-8893
Date: _____
Signature: New Lease

New Operator's License No. 34869 ✓
New Operator's Name & Address: Butler Petroleum LLC
1246 Hodgins Rd
Van Akstyne, TX 75495
Title: Operator

Contact Person: Brad Butler
Phone: 972-345-9195
Oil / Gas Purchaser: NA
Date: 12/02/15
Signature: [Signature]

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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.

Butler Petroleum LLC is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: E-23288 . Recommended action: Out of
Compliance - Need MIT ASAP + U3C's
Date: 1-5-16 Cheryl P. 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 _____ PRODUCTION JAN 11 2016 UIC 1-S-16
Mail to: Past Operator _____ New Operator 1-S-16 District 3 1-S-16

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

* Lease Name: Rains * Location: SW/4 of the Sec.10 Twp.35S R.15E

Inactive

Inactive

In Active per District Inspector

CONSERVATION DIVISION
WICHITA, KS

* 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

Form KSONA-1
January 2014
Form Must Be Typed
Form must be Signed
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 # 34869
Name: Butler Petroleum LLC
Address 1: 1246 Hodgins Rd
Address 2: _____
City: Van Akstyne State: TX Zip: 75495 + _____
Contact Person: Brad Butler
Phone: (972) 345-9195 Fax: (_____) _____
Email Address: NA

Well Location:
_____ SW. SW Sec. 10 Twp. 35 S. R. 15 ☒ East ☐ West
County: Montgomery
Lease Name: Rains Well #: All

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

SW/4 of the Sec.10 Twp.35S. R.15E

Surface Owner Information:

Name: Will Rains
Address 1: 1415 Co. Rd 3325
Address 2: _____
City: Coffeyville State: KS Zip: 67337 + _____

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: 12/02/15 Signature of Operator or Agent: [Signature] Title: Pres. Asst

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Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

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WICHITA, KS

OIL AND GAS LEASE

THIS AGREEMENT, entered into this 10 day of August, 2015, between Willie D. Rains and Lula B. Rains, husband and wife, (hereinafter called lessor) and Butler Petroleum, LLC (a one-half interest) and Streamline Energy, LLC (a one-half interest), (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 Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 10, Township 35 South, Range 15 East, Montgomery County, Kansas

containing 40 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, **SUBJECT, HOWEVER, TO THE PROVISIONS OF PARAGRAPH 16 BELOW.**

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 one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth (1/8th) 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 one-eighth (1/8th) 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 one-eighth (1/8th) 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 the last day of the month in which gas is delivered into the pipeline and credited to lessee's account by

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State of Kansas, Montgomery County
This instrument was filed for
Record on August 10, 2015 11:52:00 AM
Recorded in Book 641 Page 446-450
Fee: \$44.00 201502678

Marilyn Calhoun
Marilyn Calhoun, Register of Deeds



9. 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.

10. 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.

11. 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 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.

12. 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.

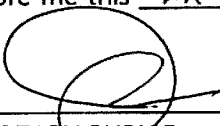
13. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and 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.

14. 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

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STATE OF KANSAS)
)
COUNTY OF MONTGOMERY)

The foregoing instrument was acknowledged before me this 4th day of August, 2015,
by Willie D. Rains and Lula B. Rains, husband and wife.



NOTARY PUBLIC

My Appointment Expires:

