

Form must be Typed
Form must be Signed
All blanks must be FilledKANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISIONREQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMITForm 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.:
- Entire Project: ☐ Yes ☐ No
- Number of Injection Wells **

Field Name: Frasier North**** Side Two Must Be Completed.**Effective Date of Transfer: 8-7-16KS Dept of Revenue Lease No.: 116769 ✓Lease Name: Newcomb Formally known as TroyerSW SW SW SW Sec. 10 Twp. 33 R. 13 ☒ E ☐ WLegal Description of Lease: NW4, E2 and NE4 of SW4 ofSection 10, Township 33, Range 13eCounty: ChautauquaProduction Zone(s): WeiserInjection 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 SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover OR ☐ DrillingPast Operator's License No. New lease attachedContact Person: Past Operator's Name & Address: Phone: Title: Date: Signature:

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New Operator's License No. 33712 ✓Contact Person: Randy ClarkNew Operator's Name & Address: Clark Energy LLCPhone: 620-330-21101198 Road 31 Havana, KS 67347Oil / Gas Purchaser: HollyfrontierDate: 8-7-2016Title: ManagerSignature: Randy W. Clark

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 8-10-16 PRODUCTION 8-11-16 UIC
Mail to: Past Operator New Operator District

* Lease Name: Newcomb Formally known as Troyer * Location: SW, SW, SW, SW sec 10, T33, R13e

[illegible]

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.

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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 # 33712
Name: Clark Energy LLC
Address 1: 1198 Road 31
Address 2: _____
City: Havana State: KS Zip: 67347 + _____
Contact Person: Randy Clark
Phone: (620) 330-2110 Fax: (_____) _____
Email Address: rw_clark@yahoo.com

Well Location:
SE SE SE NW Sec. 10 Twp. 33 S. R. 13 ☒ East ☐ West
County: Chautauqua
Lease Name: Troyer Well #: 1

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

NW4, E2 and NE4 of SW4 all in S10, T33s R13e

Surface Owner Information:

Name: Jack Newcomb
Address 1: 1482 Road 31
Address 2: _____
City: Havana State: KS Zip: 67347 + _____

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: 8-7-2016

Signature of Operator or Agent: Randy W. Clark

Title: Manager

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Corrected
OIL AND GAS LEASE

Rerecorded to correct legal
description

STATE OF KANSAS }

Chautauqua County } ss \$28.00 ✓

This instrument was filed for record this 29 day of July, 2013 at
2:00 o'clock PM and duly recorded in book 166 of Records on page 277

Anna C. Bees
REGISTER OF DEEDS

THIS AGREEMENT, made and entered into this 25 day of July, 2013, by and between **Jack W. Newcomb and Elizabeth A. Newcomb**, Husband and Wife, hereinafter called Lessor (whether one or more), and **CLARK ENERGY, LLC**, a Kansas limited liability company, 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:

THE NORTHWEST QUARTER (NW/4), THE NORTH HALF OF THE SOUTHWEST QUARTER (N/2 SW/4), AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW/4 SW/4) ALL IN SECTION 10, TOWNSHIP 33 SOUTH, RANGE 13, EAST OF THE 6TH P.M. and containing 280 acres, more or less,

less and except the wellsite of any abandoned well(s) existing on this land on the date of this lease that is not claimed by Lessee, (herein called the "leased premises").

2. This lease shall remain in full force for a term of ONE (1) year from this 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 and sold, one-eighth (1/8) of the proceeds at the wellhead, or when used off the leased premises (unless for development, operation, gathering or processing thereof) or used on the leased premises by Lessee for any purpose other than the development, operation, gathering, or processing thereof or used in the manufacture of any products therefrom, one-eighth (1/8) of the market value of the gas at the well, said payments to be made monthly. The proceeds from the sale of gas at the well, or the market value of gas at the well, shall be the amount paid by the gas purchaser at such well to the Lessee.

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Re-Rec STATE OF KANSAS }

Chautauqua County } ss \$28.00 ✓

This instrument was filed for record this 7 day of Oct., 2014 at 11:40 o'clock AM and duly Recorded in book 170 of Records on page 781

Anna C. Bees
REGISTER OF DEEDS

OIL AND GAS LEASE

- (c) To bury all pipelines associated with this lease below normal plow depth.
- (d) To pay for damages caused by Lessee's operations to the leased premises.
- (e) No well shall be drilled nearer than 300 feet to the dwelling or barn, any other improvement and ponds, if any, located on the leased premises, without the written consent of Lessor.
- (f) Should this lease be sold, assigned or transferred to any party outside the Clark Family heirs, the lessor's royalty interest on oil or gas sales shall revert to three sixteenths (3/16).
- (g) Lessor shall have the right to use, free of cost, gas produced from said leased premises, for a principal dwelling only, as long as the use thereof does not materially and negatively affect the operations of the Lessee; however Lessor shall be required to pay for all connection expenses and Lessor shall be responsible for maintenance thereof. Lessor agrees to indemnify and hold harmless from any and all damages and claims of any nature whatsoever which may arise from the usage of said natural gas by Lessor.

4. When gas is not being sold or used and a gas well capable of producing in paying quantities is shut in or has commenced dewatering operations 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 beyond the primary term, this lease shall, nonetheless, remain in full force and effect, and it will be deemed that gas is being produced in paying quantities if Lessee pays or tenders \$5.00 per net mineral acre annually as shut-in royalty, at the end of each yearly period during which such gas is not sold or used.

5. This is a paid up lease. In consideration of the cash down payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. 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. Lessee shall pay for damages caused by its operations to growing crops and pasture on the leased premises. If Lessor and Lessee cannot agree as to the amount of damages, a third party acceptable to Lessor and Lessee and knowledgeable of the value of growing crops shall determine the amount of

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OIL AND GAS LEASE

damages. Lessee shall pay to Lessor the sum of \$500.00 per well site and per tank battery as agreed-upon location damages. Lease roads shall be no wider than seventeen (17) feet and there shall be no more than one (1) lease road to each well. All wells and tank batteries shall have cattle-proof fences surrounding the same. Lessee shall exercise due diligence in addressing oil and/or saltwater spills and Lessee shall use due diligence in all development and production activities so as to minimize damage to the real estate.

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 area of the leased premises. 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 Lessors 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. In the event the Lessor, at any time, considers that operations are not being conducted in compliance with this lease or that Lessee is otherwise in breach of, or in non-compliance with, any term of this lease, either express or implied, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach or non-compliance hereof, and Lessee shall have 60 days after receipt of such notice in which to commence any operations or other

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OIL AND GAS LEASE

activities that are then legally necessary to comply with the requirements hereof. No default of Lessee with respect to any well or part of the leased premises shall impair Lessee's rights as to any other well or part of the leased premises.

12. 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, Lessee shall have a period of 120 days after the termination of such period of prevention or delay within which to commence or resume drilling, producing or other operations hereunder, and this lease shall remain in force during such period and thereafter in accordance with the other provisions of this lease. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, producing or other operations are so prevented, delayed or interrupted.

13. 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.

14. 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.

IN WITNESS WHEREOF, this lease agreement is signed and executed on the day and year first above written:

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OIL AND GAS LEASE

JACK W. NEWCOMB

By:


JACK W. NEWCOMB

ELIZABETH A. NEWCOMB

By:


ELIZABETH A. NEWCOMB

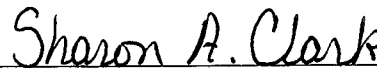
ACKNOWLEDGMENT

STATE OF KANSAS)
) ss
COUNTY OF Chautauqua)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 26th day of July, 2013, personally appeared **Jack W. Newcomb**, Lessor shown above, who is personally known to me or who displayed satisfactory evidence of their identity to me, and they duly acknowledged the execution of the above and foregoing Oil Gas Lease.

WITNESS my hand and official seal the day and year first above written.




NOTARY PUBLIC

My app't. expires: 6-4-16

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OIL AND GAS LEASE

ACKNOWLEDGMENT

STATE OF KANSAS)
) ss
COUNTY OF Chautauqua)

Before me, the undersigned, a Notary Public, in and for said County and State, on this 26th day of July, 2013, personally appeared **Elizabeth A. Newcomb**, Lessor shown above, who is personally known to me or who displayed satisfactory evidence of their identity to me, and they duly acknowledged the execution of the above and foregoing Oil Gas Lease.

WITNESS my hand and official seal the day and year first above written.



Sharon A. Clark
NOTARY PUBLIC

My app't. expires: 6-4-16

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