

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: PANOMA**** Side Two Must Be Completed.**Effective Date of Transfer: NOVEMBER 1, 2016KS Dept of Revenue Lease No.: 208840 *KR*Lease Name: SMALLEY D 1A_____ W2 - W2 - E2 Sec. 31 Twp. 24S R. 38 ☐ E ☒ WLegal Description of Lease: 2640 FSL & 2240 FEL"See Attachment 1"County: KEARNYProduction Zone(s): COUNCIL GROVE

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 SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☐ Drilling *KH*Past Operator's License No. 5249 *✓*Past Operator's Name & Address: OSBORN HEIRS COMPANY, LTDP.O. Box 17968, San Antonio, Texas 78217Title: Vice-PresidentContact Person: Nancy FitzSimonPhone: (210) 826-0700Date: October 31, 2016Signature: Nancy A. FitzSimonReceived
KANSAS CORPORATION COMMISSION

NOV 28 2016

CONSERVATION DIVISION
WICHITA, KSNew Operator's License No. 34832 *✓*New Operator's Name & Address: Scout Energy Management LLC4901 LBJ Freeway, Ste. 300, Dallas, Texas 75244JON PIOTTitle: MANAGING DIRECTOR /SR. REGULATORY SPECIALISTContact Person: Kim Brand, Sr. Regulatory SpecialistPhone: (972) 865-7597Date: OCTOBER 31, 2016Signature: Kim BrandOil / Gas Purchaser: "See Attachment 1"

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 2/20/17 PRODUCTION _____ FEB 21 2017
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 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 # 5249
Name: OSBORN HEIRS COMPANY, LTD.
Address 1: P.O. BOX 17968
Address 2: _____
City: SAN ANTONIO State: TX Zip: 78217 + 0968
Contact Person: MARI CASTORENO
Phone: (210) 826-0700 Fax: (210) 826-7559
Email Address: maric@osbornheirs.com

Well Location:
____ SW ____ SW ____ NE Sec. 31 Twp. 24 S. R. 38 ☐ East ☒ West
County: KEARNY
Lease Name: SMALLEY D Well #: 1

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

*SMALLEY D 1A W/2 W/2 E/2 SEC. 31-24S-38W KEARNY
SMALLEY D 1B SW SW NE NE SEC. 31-24S-38W KEARNY

Surface Owner Information:

Name: RICHARD E. & BECKY J. GRUSING
Address 1: P.O. BOX 6
Address 2: _____
City: KENDALL State: KS Zip: 67857 + _____

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: 10/31/16 Signature of Operator or Agent: Nancy A. Feltz-Sumner Title: VICE-PRESIDENT

ATTACHMENT I

Form T-1

Well: Smalley D 1A

County: Kearny

API: 15-093-20210

Legal Description of Unit: all Sec 31-24S-38W

Oil/Gas Purchaser: Energy Transfer Partners, LP

Leases Included *:

LESSOR	LESSEE	LEASE DATE	EFFECT. DATE	VOL	PAGE	LEGAL DESCRIPTION
State Board of Administration	Koch, Fred C.	8/26/1944	8/26/1944	11	579	INSOFAR AS THE LEASE COVERS THE FOLLOWING DESCRIBED LANDS: THE BED OF THE ARKANSAS RIVER AND ISLANDS LOCATED THEREIN (EXCEPTING ANY ISLANDS ON WHICH PATENTS HAVE BEEN ISSUED) OWNED BY THE STATE OF KANSAS, SITUATED WITHIN THE MEANDER AND DEFINED LINES OF SAID RIVER (BEING ALL LANDS EXCEPT ACTUAL ACCRETIONS) THAT TRAVERSES SECTIONS 13, T-25-S, R-37-W, SECTIONS 1-4, T-25-S, R-38-W AND SECTIONS 31 & 33, T-24-S, R-38-W, MORE OR LESS IN KEARNY COUNTY, KANSAS, ACCORDING TO SURVEY MADE BY GUY HARSHA, KEARNY COUNTY ENGINEER, ON DECEMBER 1, 1937.
Smalley, H.A.	Torline, M. Eugene	4/2/1966	4/2/1966	38	397	T-24-S, R-38-W SECTION 31: NE/4; LOTS 1, 2, & 3 AND E/2 NW/4 EXCEPT THE WEST 80 ACRES THEREOF; LOTS 4 & 5 IN THE SE/4, TOGETHER WITH 39 ACRES OF ACCRETIONS KEARNY COUNTY, KANSAS
Beaty, R.T., Et Ux	Beymer, C. E.	8/16/1966	8/16/1966	38	473	T-24-S, R-38-W SECTION 31: LOTS 6, 7 & 8 AND ACCRETIONS THERETO KEARNY COUNTY, KANSAS
Heisinger, Henry Et Ux	Edwin G. Bradley & Geo. R. Shaw	5/12/1966	5/12/1966	38	401	T-24-S, R-38-W SECTION 31: CONTAINING 40 ACRES MORE OR LESS, (SEE LEASE FOR METES & BOUNDS DESCR.) KEARNY COUNTY, KANSAS
General American Life Ins. Co.	Searcy, Robt. H.	11/21/1945	11/21/1945	13	207	T-24-S, R-38-W SECTION 31: CONTAINING 40 ACRES MORE OR LESS (SEE LEASE FOR METES & BOUNDS DESCR.) KEARNY COUNTY, KANSAS
Heisinger, Henry Et Ux	Edwin G. Bradley & Geo. R. Shaw	5/12/1966	5/12/1966	38	405	T-24-S, R-38-W SECTION 31: EAST 40 ACRES OF LOTS 1 & 2 KEARNY COUNTY, KANSAS

Received
KANSAS CORPORATION COMMISSIONNOV 28 2016
CONSERVATION DIVISION
WICHITA, KS

*Insofar as to rights conveyed from surface to 100 feet below the Council Grove.