

# 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: Cherokee Basin Coal Area

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

Effective Date of Transfer: 01/01/2017

KS Dept of Revenue Lease No.: 227014 ✓ KR

Lease Name: Lester, Arthur

NW - SW - NE - NW Sec. 26 Twp. 28 R. 17 ☒ E ☐ W

Legal Description of Lease: NW/4

County: Neosho

Production Zone(s): \_\_\_\_\_

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 Section

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

Past Operator's License No. 35341 ✓

Contact Person: Jim Allen

Past Operator's Name & Address: River Rock Operating, LLC  
211 N. Robinson, Suite 200, Oklahoma City, OK 73102

Phone: 405-606-7481

Date: 4/26/2016

Title: Vice President Operations

Signature: \_\_\_\_\_

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New Operator's License No. 35417 ✓

Contact Person: Gerald Sharp

New Operator's Name & Address: Timber Rock Energy, LLC  
PO Box 271

Phone: 620-432-1814

Chanute, KS 66720

Oil / Gas Purchaser: River Rock Energy Company

Date: 4/27/2017

Title: Manager

Signature: Gerald Sharp

**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: \_\_\_\_\_

\_\_\_\_\_ is acknowledged as  
the new operator of the above named lease containing the surface pit  
permitted by No.: \_\_\_\_\_ .

Date: \_\_\_\_\_

Authorized Signature

Date: \_\_\_\_\_

Authorized Signature

DISTRICT 3 7/6/17 EPR 7/12/17 PRODUCTION JUL 12 2017 UIC 7-12-17  
Mail to: Past Operator \_\_\_\_\_ New Operator \_\_\_\_\_ District \_\_\_\_\_

\* Lease Name: Lester, Arthur \* Location: NW SW NE NW 26-28S-17E

[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 # 35417  
Name: Timber Rock Energy LLC  
Address 1: PO Box 721  
Address 2: \_\_\_\_\_  
City: Chanute State: KS Zip: 66720 + \_\_\_\_\_  
Contact Person: Gerald Sharp  
Phone: ( 620 ) 432-1814 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: sharpgd@live.com

Well Location:  
NW SW NE NW Sec. 26 Twp. 28 S. R. 17 ☒ East ☐ West  
County: Neosho  
Lease Name: Lester, Arthur Well #: 26-1

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

**NE NW**

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**Surface Owner Information:**

Name: Gerald Sharp  
Address 1: PO Box 721  
Address 2: \_\_\_\_\_  
City: Chanute State: KS Zip: 66720 + \_\_\_\_\_

*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: 4/27/2017 Signature of Operator or Agent: Gerald Sharp Title: Manager

**PARTIAL ASSIGNMENT OF OIL AND GAS LEASE**

This Partial Assignment of Oil and Gas Lease is effective January 1, 2017, and is from, **River Rock Energy Company**, 211 N. Robinson, Suite 200, Oklahoma City, OK 73102 ("Assignor"), to **Timber Rock Energy, LLC**, P.O. Box 721, Chanute, KS 66720 ("Assignee").

On December 8, 2000, a certain Oil and Gas Lease ("Lease" attached hereto as Exhibit A) was made and entered into by and between Arthur L. Lester, Jr. and Connie K. Lester, as Lessor, and Quest Oil & Gas Corporation, as Lessee, covering the following described property situated in the County of Neosho, State of Kansas:

**The Northwest Quarter (NW/4) of Section Twenty-six (26), Township Twenty-eight (28) South, Range Seventeen (17) East, containing 160 acres, more or less;**

**AND**

**The East Half of the South Half of the West Half of the Southeast Quarter (E/2 S/2 W/2 SE/4) of Section Thirty-six (36), Township Twenty-eight (28) South, Range Seventeen (17) East, containing 20 acres, more or less;**

which Lease is recorded in the Register of Deeds office in Neosho County, Kansas in Volume 141M, Page 320 on June 22, 2001.

Assignor is the successor in interest to Quest Oil & Gas Corporation, and is the current Lessee under the Lease.

The undersigned, **River Rock Energy Company**, 211 N. Robinson, Suite 200, Oklahoma City, OK 73102 ("Assignor"), in consideration of the sum of Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby sell, assign, transfer and convey to **Timber Rock Energy, LLC**, P.O. Box 721, Chanute, KS 66720 ("Assignee") all right, title, and interest in and to the Lease and wells described in **Exhibit A** attached hereto and located in **Neosho County, Kansas, INSOFAR AND ONLY INSOFAR** as to the Northwest Quarter (NW/4) of Section Twenty-six (26), Township Twenty-eight (28) South, Range Seventeen (17) East, Neosho County, Kansas.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns forever, subject to the terms and provisions contained in said oil and gas Lease, and further subject to the following terms and conditions:

1. This Assignment is made and accepted without representation or warranty of title, express or implied.
2. All of the terms, conditions and provisions hereof shall inure to and be binding upon the parties hereto, their respective heirs, executors, administrators, assigns and successors.
3. In the event that Assignor owns less than the entire undivided interest in the leasehold estate created by said Lease, then the interests hereby assigned shall be proportionately reduced.
4. This Assignment is made subject to the terms and conditions of the Lease described in Exhibit A attached hereto, together with any existing Operating Agreement,

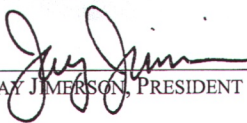
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- assignments of overriding royalty or excess royalty interests, or any other encumbrances and obligations presently of record burdening such Lease.
5. Assignor assigns and transfers all well operations, including plugging responsibility to Assignee and Assignee agrees to truly and fully perform all of the terms and conditions of the Lease to be performed under the Lease by Lessee.
  6. Assignee shall indemnify, defend and hold harmless the Indemnified Parties (as hereinafter defined) from any and all liabilities, liens, demands, judgments, suits and claims of any kind or character arising out of, in connection with, or relating to any operation or activity conducted by Assignee or any operator of wells on the Lease, or their agents, contractors, employees, licensees or invitees, on or under the subject lands, including but not limited to claims for injury or death of any persons or damage, loss or destruction of any property, real or personal, or environmental damage, under any theory of tort, contract, strict liability or otherwise.
  7. The foregoing indemnity and all other indemnities shall survive any termination of a Lease and shall inure to the benefit of Assignor and each of the Indemnified Parties.
  8. As used herein, the term "Indemnified Parties" refers to Assignor and any and all partners, subsidiaries, parent corporations, employees, officers, directors, shareholders, agents, tenants, invitees and affiliates of Assignor, and the successors and assigns of Assignor to the ownership of the Subject Lands or any portion thereof.
  9. Any assignment or lease by any party subsequent to the date hereof shall be made subject to this Assignment.
  10. This Assignment is executed this 4<sup>th</sup> day of April, 2017, but is effective for all purposes as of January 1, 2017.

ASSIGNOR:  
RIVER ROCK ENERGY COMPANY

BY:

  
JAY J. EMERSON, PRESIDENT

ASSIGNEE:  
TIMBER ROCK ENERGY, LLC

BY:

  
GERALD SHARP, PRESIDENT

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ACKNOWLEDGEMENT

STATE OF OKLAHOMA       )  
COUNTY OF OKLAHOMA    )

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of April, 2017, by Jay Jimerson, the President of River Rock Energy, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

05.23.2019



[Signature]

Notary Public # 07005042

ACKNOWLEDGEMENT

STATE OF Oklahoma       )  
COUNTY OF WASHINGTON    )

On this 11 day of April, 2017, personally appeared Gerald Sharp, the President of Timber Rock Energy, LLC, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

My Commission Expires:

June 12, 2020

[Signature: Brenda Easter]  
Name: Brenda Easter

Notary Public # 08006088

Return to:  
River Rock Energy  
211 N. Robinson, Ste. 200  
Oklahoma City, OK 73102

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**EXHIBIT A**

Lease Description

1. Lessor: Arthur L. Lester, Jr. and Connie K. Lester, husband and wife  
Lessee: Quest Oil & Gas Corporation  
Date: December 8, 2000  
Recorded: June 22, 2001 at Volume 141M, Page 320  
Legal Description: Northwest Quarter (NW/4) of Section Twenty-six (26),  
Township Twenty-eight (28) South, Range Seventeen (17) East, Neosho County,  
Kansas

Well Description

1. Lester Arthur 26-1 (see detailed description below)  
API: 15-133-26261
  - a) Assignor excepts and reserves unto itself the gas meter(s) and meter run(s).
  - b) Assignor assigns to Assignee the water and gas flow lines from the subject well to the boundary of the leased premises, and Assignee will be responsible for the maintenance, and/or abandonment of such flow lines.

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