REQUEST FOR CHANGE OF OPERATOR TRANSFER OF INJECTION AUTHORIZATION OR TRANSFER OF SURFACE POND PERMIT

EP&R6/5/2000 PROJUN 1 3 2008

KANSAS CORPORATION COMMISSION CONSERVATION DIVISION 130 S MARKET, ROOM 2078 WICHITA, KANSAS 67202

Form T1 7/94

***************************************	******
Check Applicable Boxes: KECETVED KANSAS CORP (Effective Date of Transfer January 1, 2000
[X] Oil Lease: No. of Wells $1^{2000}*$ MAR - 6	
[] Gas Lease: No. of Wells ** SIDE TWO MUST BE COMPLETED **	
Saltwater Disposal Well - Docket No.	Legal Description of Lease:
Spot Location: feet from S Line feet from E Line	Sec. 1-T30S-R7W
[] Enhanced Recovery Proj. Docket No Entire project:	County Kingman
Number of injection wells**	Production Zone(s) Mississippi
Field Name	Injection Zone(s) ************************************
Surface Pond Permit # (API No. If Drill Pit)	Feet from N/S Line of Section Feet from E/W Line of Section
Identify: Emergency Pit Burn Pit	Storage Pit Drill Pit

Past Operator's License No	Contact Person: Christa Trujillo
Past Operator's Name and Address:	Phone: (303) 595-9251
Benchmark Oil & Gas Corporation 1515 Arapahoe Street, Suite 580 Denver, CO 80202	Date
Title <i>Production Coordinator</i> ************************************	Signature
New Operator's License No. 9081	Contact Person Linda Venekamp
New Operator's Name and Address:	Phone 254-559-3355
Breck Operating Corp. P.O. Box 911	Oil/Gas Purchaser Highland Energy Company Peoples Natural Gas
Breckenridge, TX 76424	Date February 29, 2000
Title Production Clerk ************************************	Signature Linda Venekamp
ACKNOWLEDGEMENT OF TRASFER: The above	request for trasfer of injection authorization,
surface pond permit # has been noted	d, approved and duly recorded in the record
of the Kansas Corporation Commission. This acknow Corporation Commission records only and does not commission.	onvey any ownership interest in the above
injection well(s) or pond permit.	
is acknowledged	is acknowledged as the
as the new operator and may continue to inject fluids as authorized by Docket #	new operator of the above named lease convaining the surface pond permitted by # CORPORATION COMMISSION
. Recommended action	MAY 1 0 2000
Date	Date
Authorized Signature	Authorized Signature

MUST BE FILED FOR ALL WELLS

II 7/94	WELL STATUS (PROD/TA'D ABANDONED)	Prod																
	TYPE OF WELL (OIL/GAS INJ/WSW)	lio		.V														
W	Щ	Circle FEL	FEL/FWL	FEL/FWL	_FEL/FWL	FEL/FWL	FEL/FWL	FEL/FWL	_FEL/FWL	FEL/FWL								
*LOCATION: I-T30S-R7W	FOOTAGE FROM SECTION LINE (i.e. FSL=Feet from South Line)	Circle 4620 FSL 990	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	FSL/FNL	Cities (1)
*LEASE NAME Nunemaker	WELL NO. (YR DRLD/PRE '67)	2 095-21584				To the second se		anud Wynya Marak Hanned										

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.

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF KANSAS

: ss

COUNTY OF KINGMAN)

STATE OF KANSAS, Kingman County, se:
This instrument was filed for record on the
Cay of A.D. at A.D. a

KNOW ALL MEN BY THESE PRESENTS:

THAT, Benchmark Oil & Gas Corporation, whose address is 1515 Arapahoe Street, Suite 580, Denver, CO 80202, herein called "Assignor," in consideration of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, convey, sell, assign, and transfer unto States, Inc., whose address is P. O. Box 911, Breckenridge, Texas 76424, herein called "Assignee," the following interests:

- all of Assignor's right, title, and interest, if any, in and to the leases (whether one or 1. more), force pooled interests, interests acquired under contracts, and the lands covered thereby (the "Leases"), more fully and completely described on Exhibit "A" attached hereto and made a part hereof, together with the rights incident thereto, the personal property thereon, appurtenant thereto, or used or obtained in connection with said Leases; and for the same consideration stated hereinabove, Assignor does hereby grant, convey, sell, assign, and transfer unto Assignee all of Assignor's right, title, and interest in and to the wells located upon the Leases, or on lands pooled or unitized with any portion thereof, or on lands located within any governmental drilling and spacing unit which includes any portion thereof, together with all casing, leasehold equipment, and personal property in or on or used in connection with said well or wells (hereinafter collectively referred to as the "Property"), AS IS, AND WHERE IS, WITHOUT ANY WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTY OF TITLE, MERCHANTABILITY, CONDITION, OR FITNESS FOR A PARTICULAR PURPOSE, AND WITHOUT ANY WARRANTY AGAINST HIDDEN VICES OR DEFECTS.
- 2. all of Assignor's interest, if any, in the production of oil, gas, or other minerals, inclusive of fee minerals, production payments, net profits interests, rights to take royalties in kind, real property interests or other interests attributable to the Property;
- all of Assignor's interest, if any, derived from unit agreements, orders and decisions of state and federal regulatory authorities establishing units, joint operating agreements, enhanced recovery and injection agreements, saltwater disposal and facility agreements, farmout agreements and farmin agreements, options, drilling agreements, exploration agreements, assignments of operating rights, working interests, subleases and rights above or below certain footage depths or geological formations, to the extent same is attributable to the Property; and



all of Assignor's interest, if any, in all rights-of-way, easements, servitudes and 4. franchises acquired or used in connection with operations for the exploration and production of oil, gas or other minerals on or from the Property, including the rights to permits and licenses of any nature owned, held or operated in connection with said operations.

Assignee, in consideration of the mutual benefits to be derived hereunder by its acceptance hereof, understands and agrees to the following terms and conditions:

1. **INDEMNITY**

ASSIGNEE AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD ASSIGNOR, ITS AFFILIATED, PARENT AND SUBSIDIARY ENTITIES AND THEIR RESPECTIVE AGENTS, REPRESENTATIVES, SHAREHOLDERS, OFFICERS, DIRECTORS AND EMPLOYEES (COLLECTIVELY, "INDEMNITEES"), HARMLESS FROM ANY DAMAGES, EXPENSES (INCLUDING COURT COSTS AND ATTORNEYS' FEES), CIVIL FINES, PENALTIES, AND OTHER COSTS AND LIABILITIES INCURRED AS A RESULT OF CLAIMS, DEMANDS, AND CAUSES OF ACTION ASSERTED, IN CONNECTION WITH THE INTERESTS, INCLUDING ANY COSTS, EXPENSES, AND LIABILITIES WHATSOEVER ARISING OUT OF, OR IN CONNECTION WITH, THE ENVIRONMENTAL CONDITION OF THE INTERESTS, THE PLUGGING AND ABANDONING OF ANY WELLS, REMOVAL OR MODIFICATION OF FACILITIES (INCLUDING PIPELINES), CLOSURE OF PITS, AND RESTORATION OF THE SURFACE REGARDLESS OF WHETHER SUCH OBLIGATION AROSE PRIOR TO OR SUBSEQUENT TO THE EFFECTIVE TIME, AND IN CONNECTION WITH PERSONAL INJURY, DEATH OR PROPERTY DAMAGE RELATED TO THE PROPERTIES AS WELL AS THE IMPROPER PAYMENT OF ROYALTIES, AND AD VALOREM, PROPERTY, PRODUCTION, SEVERANCE AND SIMILAR TAXES FOR ALL TIME PERIODS OTHER THAN THOSE DURING WHICH SELLER OWNED THE INTERESTS. ASSIGNEE'S INDEMNIFICATION OF INDEMNITEES SHALL EXTEND TO AND INCLUDE, WITHOUT LIMITATION, COSTS, EXPENSES, LIABILITIES, DAMAGES, CLAIMS, CAUSES OF ACTION AND DEMANDS BASED ON (i) THE NEGLIGENCE OF ASSIGNOR, ASSIGNEE, OR THIRD PARTIES, WHETHER SUCH NEGLIGENCE IS ACTIVE OR PASSIVE, JOINT, CONCURRENT, OR SOLE, OR (ii) ASSIGNOR'S OR ASSIGNEE'S STRICT LIABILITY, OR (iii) OTHER FAULT OR RESPONSIBILITY OF ASSIGNOR.

Assignee assumes all rights or obligations associated with gas imbalances attributable to the 2. Property, regardless of when such imbalances occurred or accrued.

This Assignment is intended to convey any right title, or interest and all duties, liabilities and obligation that Assignor received from Questar in or to the Property by the ASSIGNMENT, BILL OF SALE AND CONVEYANCE dated effective January 1, 2000.



TO HAVE AND TO HOLD the same unto the said Assignee forever. The provisions hereof shall be covenants running with the land and shall inure to the benefit of and be binding upon Assignor and Assignee, their respective personal representatives, successors and assigns.

IN WITNESS HEREOF, the undersigned have executed this instrument on the date of the acknowledgments annexed hereto, but to be effective for all purposes from and after the 1st day of January 2000.

> ASSIGNOR: BENCHMARK OIL & GAS CORPORATION

Jay E. Johnson

STATES. APPRÖVED AS TO FORM

ASSIGNEE: STATES, INC.

AS TO CONTENT

John H. Connally, President

AS TO INTEREST ADMINISTRATION

STATE OF COLORADO) : SS COUNTY OF DENVER)

day of February, 2000, by The foregoing instrument was acknowledged before me this Jay E. Johnson, President on behalf of Benchmark Oil & Gas Corporation.

Witness my hand and official seal.

My Commission Expires: My Commission Expires 03/11/2002

Notary Public in and for the State of Colorado

Printed Name

3



STATE OF TEXAS

COUNTY OF Stephens): ss

The foregoing instrument was acknowledged before me this 27 day of February, 2000, by John H. Connally, President on behalf of States, Inc.

Witness my hand and official seal.

My Commission Expires:

Notary Public in and for the State of Texas

Printed Name

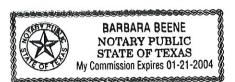


EXHIBIT "A"

Attached to and made part of that Assignment, Bill of Sale and Conveyance by and between Benchmark Oil & Gas Corporation, as Assignor, and States, Inc., as Assignee Effective January 1, 2000

KINGMAN COUNTY, KANSAS

Date:

November 10, 1967

Lessor:

W. H. Messenger & Rosa Belle

Lessee:

Petroleum, Inc.

Description:

East Half of the Northeast Quarter (E/2 NE/4); Southwest Quarter of the Northeast Quarter

(SW/4 NE/4) of Section 12-T30S-R7W

Recording:

Book 123, Page 6

Date:

May 28, 1968

Lessor:

Vivian E. Nunemaker

Lessee:

Petroleum, Inc.

Description: East Half of the Northeast Quarter (E/2 NE/4) of Section 1-T30S-R7W

Recording:

Book 124, Page 232