

030112 - Bromell.pdf
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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 3 **
☐ 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: Paola-Rantoul

Effective Date of Transfer: 3/01/2012
KS Dept of Revenue Lease No.: 141960 ✓
Lease Name: Bromell
Twp. 18 R. 22 ☒ E ☐ W
Legal Description of Lease: See Exhibit 1
in Oil & Gas Lease
County: Miami
Production Zone(s): Bartlesville
Injection Zone(s):
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CONSERVATION DIVISION
WICHITA, KS

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

Type of Pit: ☐ Emergency ☐ Burn ☐ Settling

_____ feet from ☐ N / ☐ S Line of Section
_____ feet from ☐ E / ☐ W Line of Section
☐ Haul-Off ☐ Workover ☒ Drilling

Past Operator's License No. 34321 ✓

Contact Person: Matt Edwards

Past Operator's Name & Address: Ad Astra Oil Corporation
Po Box 3715 Olathe Ks 66063

Phone: 913-314-5560

Title: Operator

Date: 3-23-12

Signature: [Signature]

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New Operator's License No. 34221 ✓

Contact Person: Josh Bauer

New Operator's Name & Address: Bauer Oil Investments
1202 St. Route 2 Hwy
Cleveland, Mo 64734

Phone: 913-208-0590

Oil / Gas Purchaser: McClasky

Date: 3/23/12

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.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ Recommended action: _____
Date: _____

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

Authorized Signature
DISTRICT _____ EPR 5/14/13
Mail to: Past Operator _____

Authorized Signature
PRODUCTION 5.15.13
UIC 5-15-13
District _____

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

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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 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 # 34221
Name: Bauer Oil Investments
Address 1: 1202 St. Route 2
Address 2: _____
City: Cleveland State: MO Zip: 64734 + _____
Contact Person: Josh Bauer
Phone: (913) 208-0590 Fax: (_____) _____
Email Address: _____

Well Location:
_____ Sec. 34 Twp. 18 S. R. 22 ☒ East ☐ West
County: Miami

Lease Name: Bromell Well #: _____

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

34-T18-R22E

See Exhibit 1 attached

Surface Owner Information:

Name: Gregory A. & Amie S. Crouch
Address 1: 37568 Plum Creek
Address 2: _____
City: Osawatomie State: Ks Zip: 66064 + _____

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.

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I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 8-29-12 Signature of Operator or Agent: [Signature] Title: President

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Mail to: KCC - Conservation Division, 130 S. Main Street, Wichita, Kansas 67202

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✓ Ew.

AD ASTRA OIL CORPORATION 2011-02121
865 N SOMERSET TERR
#303
OLATHE KS 66060

* 2 0 1 1 - 0 2 1 2 1 6 *

2011-02121

KATIE FORCK

MIAMI COUNTY REGISTER OF DEEDS

DATE RECORDED: 06/01/2011 08:05:02AM

TOTAL FEES: 28.00 MTG AMOUNT: 0.00

PAGES: 6 RECEIPT: 31535

OIL & GAS LEASE

Oil & Gas Lease, dated March 28, 2011, between

Gregory A. Crouch and Amie S. Crouch, husband and wife, (the "Lessor" (whether one or more))

and

Ad Astra Oil Corporation, a Delaware corporation, (the "Lessee") (collectively the "Parties").

The Parties agree to the following:

The Grant

For valuable consideration, receipt of which is acknowledged, Lessor grants the Lessee this Lease for the purpose of investigating, exploring, conducting seismic operations, drilling, mining, and operating for and producing oil, all gases, including casinghead gas and coal bed methane, and other liquid hydrocarbons and all associated and accompanying products (the "Leased Substances").

This Lease grants the Lessee the right to construct facilities and operate the lease in the manner it deems prudent for the exploration and production of the Leased Substances. This includes, but is not limited to, the full right of ingress and egress, laying pipelines, constructing power service, constructing roads and gates, setting tanks and other storage facilities, constructing injection and disposal facilities, and the injection or disposal of any gases or fluids into the subsurface strata.

This Lease covers the Lessor's tract(s) of land in Miami County, Kansas described as:

See attached Exhibit 1, incorporated by reference;

containing 80 acres, more or less (the "Leased Land").

Term

This Lease will remain in full force for a term of three years (inclusive of the anniversary date of this Lease) (the "Primary Term"), and then so long as any Leased Substance is produced from the Leased Land or this Lease is perpetuated by any other clause of this Lease ("Secondary Term"). Lessee has no implicit or explicit obligation to drill an exploratory well.

© Chris M. McGown, 2011

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Royalty

The Lessee shall pay royalties on production of the Leased Substances as follows:

1. Oil

Lessor shall receive a monetary royalty equal to 1/8th of all oil produced, saved, and sold from the Leased Land. The royalty shall be paid each time oil is sold from the Leased Land.

2. Gas

Lessor shall receive a monetary royalty equal to 1/8th of the gas sold. The royalty shall be determined by the proceeds realized from the sale of the gas if the gas is sold at the wellhead or on the Leased Land and requires no additional processing or treatment. If gas is sold off the Leased Premises or requires additional processing or treatment before it can be sold, the Lessee may deduct the royalty's proportionate share of its incurred expenses in marketing the gas to calculate the Lessor's royalty.

Deductible expenses include, but are not limited to, compression, amine treatment, pipeline tariffs, dehydration, and 3rd party gathering fees. Expenses which are not deductible include expenses related to producing and pumping the wells, Lessee's gathering expenses, water disposal, and pipeline and gathering system recoupment, depreciation, and return on investment.

Lessee may use produced gas for other operations on or off the Leased Land. If gas is used off the Leased Land, the Lessee shall pay the Lessor a royalty equal to 1/8th of the value of gas used. The value of the gas shall be calculated at the Lessee's prevailing rate realized (or like-situated 3rd party if lessee does not sell any gas), less allowable deductions, on other gas sold during the same time period. Lessee may use gas on the Leased Land free of charge or royalty.

All gas royalty payments shall be made monthly.

3. Other Leased Substances

Lessor shall receive a monetary royalty equal to 1/8th of the market value of all other Leased Substances, produced, saved, and sold. Market value to be determined by the raw state of the substance at the time of production; Lessee may deduct all post production costs attributable to marketing any other produced substance besides oil and gas.

Shut In Royalty

If there is no production from the Leased Land, and this Lease is not being maintained by another Lease clause, but there is a well or wells on the Leased Land, which are capable of producing gas, the Lessee shall pay the Lessor a shut in royalty equal to One Dollar per acre of the Leased Land.

If the well(s) have never produced or were shut in during the Primary Term the shut in royalty shall be paid on or before the final day of the Primary Term. If the well(s) are shut in during the Secondary Term, the shut in royalty payment shall be made on or before the anniversary date of this Lease next occurring after the expiration of 90 days from the date the well(s) are shut in. If the well(s) remain shut in, subsequent yearly shut in royalty payments shall be made on or before the next anniversary date of this Lease.

If the Lessee drills a well that is presently incapable of producing gas, the Lessee may tender a shut in royalty payment to the Lessor under the same terms while conducting operations for dewatering or reworking in an attempt to later yield gas from the well.

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The shut in royalty is a substitute royalty in lieu of actual production and it is deemed that gas is being produced in paying quantities within the meaning of this Lease. The shut in royalty will maintain this Lease in full force despite no actual production. Lessee's failure to timely pay the shut in royalty does not terminate this Lease; however, the Lessor has the right to demand Lessee pay the shut in royalty after Lessee's failure to timely pay, Lessor's demand must be in writing, and a failure of the Lessee to pay the Lessor within 60 days of receiving Lessor's demand is deemed to be a forfeiture of this Lease.

Extension of Primary Term

If the Lessee has not began drilling or producing Leased Substances on the Leased Land on or before the expiration date of the Primary Term, Lessee has the option to extend the term of this Lease by an additional one year by paying the Lessor One Dollar per acre of Leased Land on or before the final day of the Primary Term.

Lessee may offer Lessor the same payment in the year following the extension, and subsequent years, and if Lessor accepts the extension payment, this Lease will continue in full force for an additional year. Upon payment of the extension, Lessee should file a notice of extension with the county register of deeds, to serve notice this Lease is in force beyond the Primary Term, but no failure to place notice in the public record of the extension diminishes Lessee's rights in this Lease.

Any reference in this Lease to the Primary Term, or its expiration date, includes extensions of it.

Operations at the End of the Primary Term.

If there is no production at the expiration of Primary Term, this Lease shall not terminate if the Lessee has begun drilling, completion, production, or reworking operations (collectively "Operations") before the expiration of the Primary Term. Lessee has the right to finish any Operations begun within the Primary Term, and continue subsequent Operations, with reasonable diligence. Operations shall be broadly construed to include any activities on the Leased Land intended to secure production of a Leased Substance.

If a well being drilled at the end of the Primary Term is not capable of production to maintain this Lease, this Lease shall not terminate if the Lessee begins drilling a new well within 90 days of the previous well reaching its total depth. The Lessee may perpetuate the Lease in this manner as long as it chooses.

If any Operations under this section results in production of a Leased Substance, this Lease will continue in full force.

Lesser Interests & Omitted Parcels

If the Lessor owns a lesser interest in the Leased Land than the entire and undivided fee simple estate, then all payments under this Lease, including royalties, will be paid to the Lessor in the proportion that the Lessor's interest bears to the whole, undivided fee.

If the Parties have omitted a parcel of the Lessor's land that was intended to be included in this Lease, the Parties agree it is to be included and Lessor agrees to execute any correction of this Lease necessary to secure Lessee's rights in the omitted parcel.

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Miscellaneous Provisions

Lessee may use, free of cost, gas, oil, and water produced on the Leased Land for its operations. Lessee shall bury its pipelines below plow depth, if requested by Lessor. Lessee may not drill a well within 150 feet of Lessor's barn, machine shop, or residential house on the Leased Land at the execution of this Lease, without the written consent of the Lessor. Lessor, however, may not unreasonably withhold consent.

Lessee shall pay for damages to growing crops on the Leased Land caused by its operations. Lessee has the right to remove all machinery and fixtures placed on the Leased Land, including the right to remove casing and plug wells.

Assignment

The Parties may freely assign any interest or estate, in whole or in part, covered by this Lease. The terms of this Lease are binding on, and extend to, all heirs, executors, administrators, successors, and assignees.

No change in the ownership of the Leased Land, or an assignment of payments under this Lease, is binding on the Lessee until the Lessee receives a copy of the transfer.

The Parties further agree that if a portion of the Leased Land is assigned and the assignee(s) fails to comply with a covenant or condition, of this Lease, the default will only affect the portions of the Leased Land attributable to the defaulting assignee and the remaining portions will remain in full force.

Entireties Clause

If the Leased Land is ever divided or owned in severalty or in separate tracts for any reason (collectively "divided"), the Leased Land may nevertheless be developed and operated as one tract without regard to divisions and the new property lines. Lessee has no obligation to offset wells, or to furnish separate measuring equipment or storage tanks for the production of Leased Substances from the divided tracts.

If the Leased Land is divided, the payments under this Lease will be paid to each separate owner in the proportion that the acreage owned by him / her bears to the entire Leased Land acreage.

Lessee has the right to release this Lease, or any portion of it, at any time.

Unitization

Lessee has the right to unitize the Leased Land with other lands. The purpose of unitization shall be to aid in the efficient production of Leased Substances and must be made in good faith; however, the Lessee shall be given deference to determine how to unitize the Leased Lands. Unitization may be limited to dewatering operations, the drilling of injection wells near lease lines, operating adjacent leases together as one, or any other purpose Lessee believes necessary to efficient operate the Leased Land.

Lessee may not unitize the Leased Land in bad faith to maintain this Lease without production. Lessee must file a declaration of unitization with the county register of deeds describing the unit, the purpose, and the portions of the Leased Land included.

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If production from the unit is commingled from more than one lease, royalties shall be paid in proportion that the Leased Land bears to the entire unit. If production is separately measured for the Leased Land, then royalties shall be paid on the production attributable to it.

Interest in Personal Property

The Parties are aware this is a previously producing oil lease. For the same valuable consideration, Lessor conveys any interest he/she/they/it may have in any personal property on the Leased Land relating to the production of Leased Substances, including, but not limited to, well bores, pipe, tanks, and equipment to the Lessee. Lessee accepts all personal property without warranty, express or implied, and without representation of fitness for a particular purpose.

Warranty

Lessor warrants and agrees to defend the title to the Leased Land. Lessee has the right to redeem and pay for the Lessor, any mortgages, taxes or other liens on the Leased Land. Any payments made on behalf of the Lessor may be recouped by the Lessee by retaining any payment under this Lease due to the Lessor.

Payments to the Lessors

All payments due to the Lessors may be paid to the Lessors at:

Bank: _____ or Mailing Address: 37568 Plum Creek RD

Town: _____ Osawatomie, KS 66064

Signed:

Gregory A. Crouch
Gregory A. Crouch

Amie S. Crouch
Amie S. Crouch

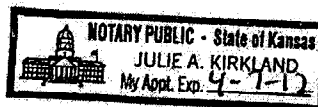
Acknowledgment

State of Kansas

County of Miami

This lease was acknowledged before me on April 4th, 20 11, by
Gregory A. Crouch and Amie S. Crouch.

Julie A. Kirkland
Notary Public



My Commission Expires: 4-7-12

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Acknowledgement

State of Kansas

County of Miami

This assignment was acknowledged before me on June 1st 2011,
2010, by Mathew Edwards, as President of Ad Astra Oil Corporation, a Delaware corporation.


Notary Public

My appointment expires: 6.2.2013



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Exhibit 1

Land covered by Oil and Gas Lease, dated March 28, 2011, between Gregory A. Crouch and Amie S. Crouch, husband and wife, and Ad Astra Oil Corporation, a Delaware corporation:

Northeast Quarter of the Northwest Quarter of Section 34, Township 18 South, Range 22 East; and the North Half of the North Half of the Northeast Quarter of Section 34, Township 18 South, Range 22 East, except that part in highway, all in Miami County, Kansas, as described in the Joint Tenancy Warranty Deed recorded in Book 768, Page 568, in the Miami County Register of Deeds Office.

Also described as:

Commencing at the Northeast Corner of the Northeast Quarter of Section 34, Township 18 South, Range 22 East, thence North $89^{\circ}54'55''$ West 40.01 feet along the North line of said Quarter Section to a point on the West right of way line of Kansas State Highway 7 as now established, said point being the true point of beginning, thence South $1^{\circ}05'21''$ East 664.76 feet along said right of way line, thence North $89^{\circ}54'36''$ West 2451.82 feet, thence North $0^{\circ}57'46''$ West 664.50 feet along a line parallel to the West line of said Quarter Section to a point on the North line of said Quarter Section, thence South $89^{\circ}54'55''$ East 2450.35 feet along the North line of said Quarter Section to the point of beginning, all in Miami County, Kansas,

AND

Beginning at the Northwest Corner of the Northeast Quarter of Section 34, Township 18 South, Range 22 East, thence South $89^{\circ}54'55''$ East 150.00 feet along the North line of said Quarter Section, thence South $0^{\circ}57'46''$ East 665.50 feet along a line parallel to the West line of said Quarter Section, thence North $89^{\circ}54'36''$ West 150.00 feet to a point on the East line of the Northwest Quarter of said Section, thence South $0^{\circ}57'46''$ East 664.49 feet along the East line of said Quarter Section to a point being the Southeast corner of the Northeast Quarter of said Quarter Section, thence North $89^{\circ}54'17''$ West 1321.91 feet along the South line of the Northeast Quarter of said Quarter Section to a point being the Southwest Corner of the Northeast Quarter of said Quarter Section, thence North $0^{\circ}53'17''$ West 1328.70 feet along the West line of the Northeast Quarter of said Quarter Section to a point being the Northwest Corner of said Quarter Section, thence South $89^{\circ}54'55''$ East 1320.18 feet along the North line of said Quarter Section to the point of beginning, all in Miami County, Kansas, as both tracts are described in the Joint Tenancy Warranty Deed recorded in book and page 2007-03914.

It is the Parties' intention that the Lease shall cover all of Lessors' ground now owned, as one tract and irrespective of its legal description in separate parcels or descriptions.