

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 _____ **
- ☒ Gas Lease: No. of Gas Wells 2 **
- ☐ 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: _____

**** Side Two Must Be Completed.**Effective Date of Transfer: 7/13/2004KS Dept of Revenue Lease No.: 225441 and 225170Lease Name: GLEN NOVOTNY____ NE Sec. 18 Twp. 30S R. 18 ☒ E ☐ WLegal Description of Lease: NE/4 18-30S-18ECounty: 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 SectionType of Pit: ☐ Emergency ☐ Burn ☐ Settling ☐ Haul-Off ☐ Workover ☒ DrillingPast Operator's License No. New Lease

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Date: _____
Signature: Assignment AttachedNew Operator's License No. 33344 /Contact Person: Stephen L. DeGiustiNew Operator's Name & Address: QUEST CHEROKEE, LLCPhone: 405-702-7420210 PARK AVENUE, STE 2750Oil / Gas Purchaser: POSTROCK MIDCONTINENT PRODUCTION LLCOKLAHOMA CITY, OK 73102Date: 6-14-2013Title: By PostRock MidContinent Production, LLC, successor by merger,Signature: Stephen L. DeGiustiBy PostRock Energy Services Corporation, its sole member, By Stephen L De Giusti, Secretary and Treasurer

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 7/1/13PRODUCTION 7.2.13UIC KCC WICHITA

Mail to: Past Operator _____

New Operator _____

District _____

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

JUN 24 2013

RECEIVED

* Lease Name: GLEN NOVOTNY

* Location: NE/4 18-30S-18E

RECEIVED

* 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.

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 # 33343
Name: POSTROCK MIDCONTINENT PRODUCTION, LLC
Address 1: 210 PARK AVENUE STE 2750
Address 2: _____
City: OKLAHOMA CITY State: OK Zip: 73102 + _____
Contact Person: STEPHEN L. DeGIUSTI
Phone: (405) 702-7420 Fax: (405) 815-4315
Email Address: _____

Well Location: _____
- - - - - NE Sec. 18 Twp. 30 S. R. 18 ☒ East ☐ West
County: NEOSHO
Lease Name: GLEN NOVOTNY Well #: 1 AND 2
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
NE/4 18-30S-18E

Surface Owner Information:

Name: Glen Novotny
Address 1: 5670 Douglas Road
Address 2: _____
City: Thayer State: KS Zip: 66776 + _____

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: 6-14-13 Signature of Operator or Agent: Stephen L. DeGiusti Title: Secretary and Treasurer

KCC WICHITA

JUN 24 2013

RECEIVED

ASSIGNMENT OF OIL AND GAS LEASE**KNOW ALL MEN BY THESE PRESENTS:**

That the undersigned, Kephart Gas Production, hereinafter called ASSIGNOR, for and in consideration of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign, transfer, set over and convey unto Quest Cherokee LLC, hereinafter called ASSIGNEE, all of its interest (.875 revenue), in and to the following oil and gas lease located in Neosho County, Kansas, to wit:

A certain oil and gas lease dated August 2nd, 2002 from Glen A. Novotny and Nancy M. Novotny husband and wife, recorded in book 146M at pages 557-558 in the office of the Register of Deeds of Neosho County, Kansas and covering the following described property, to wit:

The Northeast Quarter (NE4) of Section Eighteen (18), Township Thirty South (T30S), Range Eighteen East (R18E) and containing 160 acres, more or less in Neosho County, Kansas

together with the rights of said oil and gas lease incident thereto and the personal property located thereon, appurtenant thereto, and used or obtained in connection therewith: including, but not limited to, all gathering lines, meters, pumps, tanks, fittings, connections, and all related equipment and machinery located in, on or across the above described property.

The ASSIGNOR herein hereby expressly excepts, reserves and retains title to an undivided 1/16th (0.0625 decimal) interest of all oil, gases, or other substances produced, saved and marketed as an over-riding royalty, free and clear of any cost and expense of the development and operation thereof, excepting taxes applicable to said interest and the production therefrom.

ASSIGNOR further covenants with the ASSIGNEE, its successors or assigns: That ASSIGNOR is the lawful owner of and has good title to the interest herein assigned in and to said lease, estates, rights and property, free and clear from all liens, encumbrances or adverse claims except those recorded of public record; that said lease is a valid and subsisting lease on the lands above described, and all rentals and royalties due thereunder have been paid and all conditions necessary to keep the same in full force have been duly performed, and that Assignor will warrant and forever defend the same against all persons whomsoever, lawfully claiming or to claim the same.

ASSIGNOR does not warrant the physical condition of personal property relating to the above, and such personal property is conveyed "as is" in its present existing condition.

This assignment shall be binding upon the ASSIGNOR, ASSIGNEE and their respective successors and assigns.

EXECUTED this 13th day of July 2004.

Kephart Gas Production

Kephart Gas Production

Jeffrey D. Kephart
By: Jeffrey D. Kephart

Joe D. Kephart
By: Joe D. Kephart

State of Kansas)

County of Neosho)

SS:

On this 13th day of July 2004, before me, appeared Jeffrey D. Kephart and Joe D. Kephart, who is personally known to me to be such persons who executed the foregoing instrument in writing for the uses and purposes therein set forth.

GEORGE SLAUGHTER
Notary Public - State of Kansas
My Appt. Expires

George E. Slaughter
Notary Public

My commission expires: 4-1-2006

KCC WICHITA

JUN 24 2013

RECEIVED

Cherokee, LLC
P. O. Box 100
Benedict, KS 66714

Novotny

620-698-2250 phone
620-698-3030 fax

July 1, 2004

Kephart Gas Production and
Neosho Natural, LLC
P.O. Box 38
Galesburg, KS 66740

Gentlemen:

This Letter Agreement, when accepted by you shall set forth our agreement concerning the sale of three leases and associated wells.

Kephart Gas Production is the owner of the Novotny Lease covering 160 acres in the NE/4 of Section 18-T30S-R18E, Neosho Co., KS and has caused the drilling of two wells on said lease, being the G. Novotny 1 and 2 wells.

Kephart Gas Production is the owner of the Ferguson Lease covering 27 acres in the SE/4 of Section 21-T30S-R18E, Neosho Co., KS and has caused the drilling of one well on said lease, being the D. Ferguson 1 well.

Noosho Natural, LLC is the owner of the Diediker Lease covering 160 acres in the NE/4 of Section 34-T30S-R19E; 65 acres in the S/2 SE/4 of Section 8-T30S-R19E; 198.4 acres in the NE/4 and N/2 SE/4 of Section 21-T30S-R19E; 80 acres in the N/2 NW/4 of Section 26-T30S-R19E; 27.5 acres in the S/2 SW/4 of Section 23-T30S-R19E; and 615 acres being all of Section except tracts in NW/4 and N/2 SW/4 of Section 27-T30S-R19E, all lands being in Neosho Co., KS. This lease is undeveloped.

Quest Cherokee, LLC agrees to purchase all of the above leases and the 3 wells in exchange for the reimbursement of lease costs and the actual

KCC WICHITA

JUN 24 2013

RECEIVED

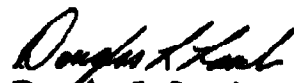
Neosho in the drilling of the 3 wells.
in ORRI in their respective leases of 1/16th,
delivering to Quest an 81.25 NRI.

The estimated costs for this reimbursement are set forth below. Actual costs will be set out in detail and invoiced as soon as the amounts are available:

<u>PROPERTY</u>	<u>ESTIMATED REIMBURSEMENT AMOUNT</u>
Novotny Lease	\$ 33,000
Ferguson Lease	\$ 13,000
Diediker Lease	\$ 20,000

Assignments of the working interests, less the retained ORRI's shall be delivered to Quest on or before July 15, 2004. Kephart and Neosho agree to execute and deliver any documentation and do all other things necessary to properly convey operatorship and ownership of the properties. The covenants hereof shall extend to our heirs, executors, administrators, successors or assigns.

Sincerely,


Douglas L. Lamb
Manager

Agreed to and Accepted this
1st day of July, 2004
Kephart Gas Production

By: 
Jeffrey D. Kephart

Agreed to and Accepted this
1st day of July, 2004
Kephart Gas Production

By: 
Joe D. Kephart

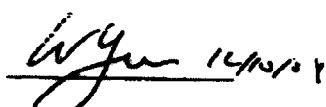
Agreed to and Accepted this
1st day of July, 2004
Neosho Natural, LLC

By: 
Jeffrey D. Kephart

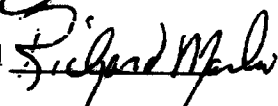
Agreed to and Accepted this
1st day of July, 2004
Neosho Natural, LLC

By: 
Randall L. Cox

Geology Approval



Engineering Approval



Land Approval



Jerry Cash Approval



KCC WICHITA

JUN 24 2013

RECEIVED

Form 88--(Producers) **B** (Rev. 1981) **OIL AND GAS LEASE**
(KANSAS) 1-42Recorder No.
09-137
 CO. Sec. 16
 16-000000-000000
 16-000000-000000
 16-000000-000000
 16-000000-000000

 AGREEMENT, Made and entered into this 2nd day of August, 2002

by and between

Glen A. Novotny & Nancy M. Novotny
Kephart Gas Production

Party of the first part, hereinafter called lessor (whether one or more) and

Party of the second part, hereinafter called lessee.

 WITNESSETH, That the said lessor, for and in consideration of \$1.00 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 unto said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining, and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Neosho State of Kansas, described as follows, to-wit:
NE 4
 of Section 18 Township 30 Range 18 and containing 160 acres more or less.

 It is agreed that this lease shall remain in full force for a term of one years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
 2nd. To pay lessor for gas from such well where gas only is found the equal one-eighth (1/8) of the gross proceeds at the prevailing market rates, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for all gas used off the premises, said payments to be made monthly and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.
 3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline, one-eighth (1/8) of the proceeds at the prevailing market rate for the gas used, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the time during which such gas shall be used, said payments to be made quarterly.

 If no well be commenced on said land on or before the 2nd day of August, 2003 this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in The Community National Bank at Cherryvale, KS

 or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of \$1.00 DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date.

The payment herein referred to may be made in currency, draft, or check at the option of the lessee, in like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods or the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered herein is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor.

When requested by lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

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 their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payments of said rentals. 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.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, 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 above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

Whereof witness our hands as of the day and year first above written.

Witness to the mark:

 x John Kephart
 x Charlotte A. Kephart

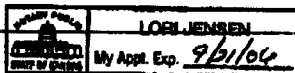
 x Glen A. Novotny (SEAL)
 x Nancy M. Novotny (SEAL)

 KCC WICHITA
 JUN 24 2013
 RECEIVED

STATE OF Kansas ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF Neosho

The foregoing instrument was acknowledged before me this 3rd day of August 2002
 by Shirley Neotony and Shirley Neotony

My commission expires 9/21/06



Lori Jensen
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____

My commission expires _____
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____

My commission expires _____
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____
 by _____ and _____

My commission expires _____
 Notary Public

No. 02-3277

OIL AND GAS LEASE

FROM

TO	
Date	
Section	Top
No. of Acres	Term
	County
STATE OF KANSAS	
County	NEOSHO

This instrument was filed for record on the 16
 day of October, 2002
 at 3:25 o'clock P.M., and duly recorded
 in Book 146M Page 557-558 of
 the records of this office.
Glenda K Taylor
 Register of Deeds.
 By \$12.00
 When recorded, return to _____

STATE OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
 COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____
 by _____

corporation, on behalf of the corporation.

My commission expires _____
 Notary Public

KCC WICHITA
 JUN 24 2013
 RECEIVED