

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the matter of determining the responsibility) Docket No. 25-CONS-3139-CSHO
of Cyclone Petroleum, Incorporated (Operator))
for the Swaim #1 and Swaim B #1 wells in) CONSERVATION DIVISION
Section 7, Township 35 South, Range 3 East,)
Cowley County, Kansas.) License No. 30253

PRE-FILED DIRECT TESTIMONY OF

JEFF KLOCK

ON BEHALF OF COMMISSION STAFF

JUNE 9, 2025

1 **Q. What is your name and business address?**

2 A. Jeff Klock, 3450 N. Rock Road, Bldg. 600, Suite 601, Wichita, Kansas.

3 **Q. By whom are you employed and in what capacity?**

4 A. I am employed by the Conservation Division of the Kansas Corporation Commission
5 (Commission), as the Professional Geologist Supervisor for District 2, which covers most of
6 central Kansas.

7 **Q. Would you please briefly describe your background and work experience?**

8 A. I received my Bachelor of Science degree in Geology from Wichita State University in 1990.
9 From 1988 to 1990, I worked for F. G. Holl Company as a Geological Technician, and from
10 1991 to 1995 I worked for them as a Staff Petroleum Geologist. In April 1995, I began
11 working for the KCC as an Environmental Geologist II in the Production Department. In that
12 position, I reviewed and approved Notices of Intent-to-Drill, Cathodic Protection Borehole
13 Intents-to-Drill, New Pool Applications, Commingling Applications, and Enhanced Recovery
14 Project Certifications. In August 1999, I became a professionally licensed geologist in the
15 State of Kansas.

16 In October 2001, I started working for the District 2 field office as an Environmental
17 Geologist II. My responsibilities in that position included assisting in the planning and
18 coordination of district field investigations, spill control and clean-up activities, and
19 overseeing contamination sites. I became District 2 Supervisor on August 27, 2007.

20 **Q. What duties does your position with the Conservation Division entail?**

21 A. My responsibilities as a District Supervisor include supervising the work of District
22 Administrative Staff, the District Geologist, and the Environmental Compliance Regulatory
23 Specialists. I provide specific guidance and technical overview for field investigations,

1 compliance, spills, abandoned wells, and TA procedures. I also review processes related to
2 Underground Injection Control (UIC) matters and provide input for design approvals and area
3 of review for the UIC department. I also participate in working groups with other state
4 agencies including Kansas Department of Health & Environment (KDHE), Kansas
5 Geological Survey, and Groundwater Management Districts.

6 **Q. Have you previously testified before this Commission?**

7 A. Yes.

8 **Q. What is the purpose of your testimony in this docket?**

9 A. The purpose of my testimony is to discuss the documentation indicating Cyclone Petroleum,
10 Incorporation (Operator) and/or Mr. Martin McCorgary is responsible for the care and control
11 of the Swaim #1, API #15-035-23624 and the Swaim #B-1, API #15-035-23715 (Subject
12 Wells). The Subject Wells are located on the Swaim lease in the Southeast Quarter of Section
13 7, Township 35 South, Range 3 East, Cowley County, Kansas.

14 **Q. How did the District 2 Office become aware of the Subject Wells?**

15 A. The District 2 Office received a complaint from the landowner, Mr. McCorgary, regarding
16 inactive wells on the Swaim lease. Mr. McCorgary also has an active KCC operator's license
17 under Martin McCorgary dba McCorgary Operations, License #3630. On August 14, 2020,
18 Duane Krueger, the Environmental Compliance and Regulatory Specialist (ECRS) for this
19 area conducted a lease inspection of the Southeast Quarter of Section 7, Township 35 South,
20 Range 3 East, Cowley County, Kansas.

21 **Q. What were the findings of Mr. Krueger's lease inspection?**

22 A. Mr. Krueger documented three inactive wells on the lease. These wells were the Swaim-
23 Sundance #7, API #15-035-24169, which was inactive but fully equipped; the Swaim #1,

1 which was inactive with open 5.5” casing; and the Swaim #B1, which was also inactive and
2 marked with a tee post out in the field. Out of these three wells only the Swaim-Sundance #7
3 was shown on another operator’s well inventory. I have attached a copy of Mr. Krueger’s field
4 inspection report to my testimony as *Exhibit JK-1*.

5 **Q. What was District 2 Staff’s next steps.**

6 A. After reviewing Mr. Krueger’s field report, I went to the Cowley County Register of Deeds
7 Office to gather any available documentation for the Swaim lease. I then sent the documents
8 I gathered to KCC Legal Staff and consulted with them to determine whether there were any
9 potentially responsible parties for the Subject Wells.

10 **Q. Is there a Kansas Statute that discuss an operator’s responsibility for abandoned wells?**

11 A. Yes. K.S.A. 55-179 provides details regarding the person(s) who are legally responsible for
12 the proper care and control of an abandoned well.

13 **Q. Under what specific portions of that statute does Operator appear to be responsible for**
14 **the Subject Wells?**

15 A. Based on the documents that I gathered and my discussions with KCC Legal Staff, Operator
16 appears to be responsible for the Subject Wells under K.S.A. 55-179(b)(2) as the most recent
17 operator to produce from or inject into the wells, or alternatively, under K.S.A. 55-179(b)(3)
18 as the person that most recently accepted responsibility for the Subject Wells by accepting an
19 assignment or by signing an agreement or other written document, between private parties, in
20 which the person accepted responsibility.

21 **Q. What documents indicate that Operator is responsible for the Subject Wells?**

22 A. On July 18, 2002, the William P. Swaim Revocable Trust entered into an Oil and Gas Lease
23 with Mr. McCorgary for the Southeast Quarter of Section 7, Township 35 South, Range 3

1 East, Cowley County, Kansas. This lease was recorded in Book 654, Page 521 with the
2 Cowley County Register of Deeds. I have attached a copy of this oil and gas lease to my
3 testimony as **Exhibit JK-2**. At the bottom of the lease is specific language that “no drilling
4 shall be done until three (3) existing wells are produced or plugged.” I have highlighted that
5 language on Exhibit JK-2.

6 Two weeks later on August 1, 2002, the Swaim lease recorded in book 654, page 521 was
7 assigned from Mr. McCorgary to Sundance Oil & Gas, LLC. I have attached a copy of that
8 Assignment to my testimony as **Exhibit JK-3**. Sundance Oil & Gas, LLC is an Oklahoma
9 company which was owned by Mr. James Haver. Mr. Haver is also a partner on Operator’s
10 license. I have included records obtained from the Oklahoma Secretary of State as **Exhibit**
11 **JK-4**. The records indicate that Mr. Haver and Mr. Phillip Tracy were the managers of
12 Sundance Oil & Gas when the company was formed in October 1999. Mr. Andrew Hartman
13 was the sole organizer of the company. Additionally, Mr. Haver signed the Annual
14 Certificates in 2002 and 2003 indicating he was manager when Sundance obtained the lease
15 from Mr. McCorgary.

16 On September 26, 2002, Operator spud the Swaim-Sundance #7. I have included a copy of
17 the ACO-1 for the Swaim-Sundance #7 well with my testimony as **Exhibit JK-5**. Based on
18 the lease language, this would indicate that the three existing wells had to have been produced
19 or plugged prior to the Swaim-Sundance #7 being drilled. Based on my conversations with
20 Legal Staff, if the wells were not produced or plugged prior to the Swaim-Sundance #7 being
21 drilled, then Operator accepting the assignment for the Swaim lease could also indicate that
22 Operator accepted responsibility for producing or plugging the three wells discussed in more
23 detail below under K.S.A. 55-179(b)(3).

1 **Q. Is there any indication of which three wells are being referenced by the oil and gas lease?**

2 A. Yes. I have attached an April 2002 aerial image of the Swaim lease to my testimony as ***Exhibit***
3 ***JK-6***. As you can see in that image, there are 3 wells which are visible in the southeast quarter
4 section. I have included pins for each of the well locations as part of Exhibit JK-6. Based on
5 the aerial map at the time and GPS coordinates, it is clear that the lease would be referring to
6 the Swaim #1, Swaim #B-1, and the Swaim A #1, API #15-035-23678. Additionally, it is my
7 understanding that Mr. Krueger's main point of contact during his August 14, 2020, lease
8 inspection was Mr. McCorgary, and that Mr. McCorgary specifically identified the Swaim #1
9 and Swaim B-1 as the wells he was concerned about.

10 **Q. Why is Staff not also pursuing Operator as a responsible party for the Swaim-Sundance**
11 ***#7 and Swaim A #1 wells?***

12 A. Those two wells were both transferred from Operator to Endeavor Energy Resources, LP on
13 a Request for Change of Operator (T-1) form in 2011. The fact that Operator included the
14 Swaim A #1 on the T-1 form is also an indication that Operator took responsibility for the
15 Subject Wells per the terms of the lease agreement. I have attached a copy of the T-1 form to
16 my testimony as ***Exhibit JK-7***. The Swaim A #1 well was plugged by Endeavor Energy
17 Resources on September 7, 2016. The Swaim-Sundance #7 remains on an active operator's
18 license. When the lease was assigned in 2011, the assignment transferred several leases from
19 Operator; Sundance Oil & Gas, LLC; Haveco Oil & Gas Properties, LLC; Concorde Resources
20 Corporation; Ashton Gas Gathering, LLC; and HBF Limited Partnership to Newkumet
21 Exploration, Inc. Mr. Haver signed the assignment and bill of sale on behalf of all of the
22 Assignors. I have attached a copy of that assignment and bill of sale to my testimony as
23 ***Exhibit JK-8***. I have highlighted the Swaim lease on page 15 of the exhibit. The assignment

1 and bill of sale did not explicitly include or exclude any wells on the Swaim lease from being
2 transferred.

3 **Q. Is there any indication that Mr. McCorgary produced the Subject Wells?**

4 A. I have not seen any documentation which indicates Mr. McCorgary produced the Subject
5 Wells.

6 **Q. Has Operator ever transferred either of the Subject Wells to another operator?**

7 A. No. I was unable to find any records which indicate either of the Subject Wells have been
8 transferred to a subsequent operator.

9 **Q. Is there any indication that Operator has plugged the Subject Wells?**

10 A. I have not found any records which indicate the Subject Wells have been plugged. Further,
11 Commission Staff has conducted a field inspection of the two wells on May 29, 2025, and
12 found no change to either well. I have attached a copy of Staff's most recent field inspection
13 to my testimony as *Exhibit JK-9*.

14 **Q. Please summarize your recommendation.**

15 A. As stated above, based upon the documentation collected by District 2 Staff and consulting
16 with KCC Legal Staff, it appears that Operator is responsible for the Subject Wells under
17 K.S.A. 55-179(b)(2) as the most recent operator to produce from or inject into the wells, or
18 K.S.A. 55-179(b)(3) as the person that most recently accepted responsibility for the Subject
19 Wells by accepting an assignment or by signing an agreement or other written document,
20 between private parties, in which the person accepted responsibility. The Subject Wells were
21 specifically referenced in the lease agreement that was assigned to Sundance/Operator. Per
22 the terms of that agreement the Subject Wells would have had to have been produced or
23 plugged prior to Operator drilling the Swaim-Sundance #7. As I also stated above, even if the

1 wells were not produced or plugged prior to Operator drilling, then Operator appears to have
2 accepted responsibility for the care and control of the Subject Wells by accepting the
3 assignment for the wells identified by the terms of the lease.

4 **Q. Does this conclude your testimony?**

5 A. Yes.

KCC OIL/GAS REGULATORY OFFICES

Date: 08/14/20

District: 02 ☒

Case #: _____

☐ New Situation

☐ Lease Inspection

☐ Response to Request

☒ Complaint

☐ Follow-Up

☒ Field Report

Operator License No: 32887

API Well Number: _____

Op Name: ENDEAVOR ENERGY RESOURCES

Spot: SE Sec 7 Twp 35 S Rng 3 ☒ E / ☐ W

Address 1: _____

Feet from ☐ N / ☒ S Line of Section

Address 2: _____

Feet from ☒ E / ☐ W Line of Section

City: _____

GPS: Lat: _____ Long: _____ Date: _____

State: _____ Zip Code: _____ -

Lease Name: SWAIM Well #: _____

Operator Phone #: _____

County: Cowley

Reason for Investigation:

COMPLAINT FROM LANDOWNER / MARTIN MCCORGARY

Problem:

ABANDONED WELLS

Persons Contacted:

MARTIN MCCORGARY

Findings:

1. SWAIM-SUNDANCE #7 / GAS WELL, WELL IS OFF / 15-035-24169-00-00 / GPS'D WELL @ 37.01387,-097.13752 SE SW SW SE, 327 FSL 2307 FEL

2. SWAIM #1 / GAS WELL, OPEN ENDED 5.5" CASING, WELL IS OFF / 15-035-23624-00-00 / GPS'D WELL @ 37.01663,-097.13533 SW SE NW SE, 1330 FSL 1670 FEL

3. SWAIM B #1 / GAS WELL, WELL IS OFF / 15-035-23712-00-00 / GPS'D WELL @ 37.01843,-097.13196 / SE NW NE SE, 1984 FSL 687 FEL

Action/Recommendations:

Follow Up Required ☒ Yes ☐ No ☐

Date: _____

SEND TA NOV'S

Verification Sources:

Photos Taken: YES



RBDMS



KGS



TA Program



T-I Database



District Files



Courthouse



Other: LEASE INSPECTION

By: DUANE KRUEGER

Retain 1 Copy District Office
Send 1 Copy to Conservation Division

Form: _____

Exhibit JK-1

Page 1 of 4



SWAIM #1 SE/4 SEC. 7-35-3E, COWLEY CO.
API 15-035-23624-0000
1330' FSL 1670'FEL
GAS WELL, OPEN ENDED 5.5" CASING
DATE: 8-14-2020 DUANE KRUEGER



SWAIM B1 SE/4 SEC 7-35-3E, COWLEY CO.
API 15-035-23712-0000
1984' FSL 687' FEL
DATE: 8-14-2020 DUANE KRUEGER



SWAIM-SUNDANCE #7 SE/4 SEC 7-35-3E, COWLEY CO.
API 15-035-24169-0000, 327' FSL 2307' FEL
DATE: 8-14-2020

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Reorder No.
09-115KANSAS BLUE PRINT CO. INC.
315-264-9344 • P.O. Box 793 • Wichita, KS 67201-0793

AGREEMENT, Made and entered into the 18th day of July 2002
 by and between William P. Swaim, Trustee for
The William P. Swaim Revocable Trust Agreement Dated November 1, 1991
 whose mailing address is 2500 Hummingbird Lane - Ponca City, OK 74601 hereinafter called Lessor (whether one or more),
 and MARTIN MCCORGARY hereinafter called Lessee:

Lessor, in consideration of -----Ten and More----- Dollars (\$10.00 & More) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, boring oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Cowley State of Kansas described as follows to-wit:

The Southeast Quarter(SE $\frac{1}{4}$)

In Section 7 Township 35 South Range 3 East and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of one(1) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

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 lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well (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 gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate, therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's 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 lessee's operation thereon, except water from the wells of lessor.

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

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

Lessee shall pay for damages caused by lessee's 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 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. 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.

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.

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, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

In the event that a compressor is installed on the leased premises, Lessor shall bear no part of the expense for the installation or operation of said compressor. Lessor is to receive a full one-eighth(1/8) of the proceeds received by the Lessee for the sale of oil and gas products produced from the leased premises.

Lessee acknowledges the responsibility for surface damages incurred during drilling. No gravel shall be used on roads.

No drilling shall be done until three(3) existing wells are produced or plugged.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Witnesses:

Soc. Sec. No. 514-24-2949

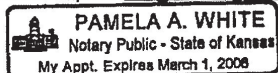
William P. Swaim

(William P. Swaim, Trustee of The William P. Swaim Revocable Trust Agreement Dated November 1, 1991)

1200 Martin E. McCorgary, 1180 322nd Rd, Arkansas City KS 67003

STATE OF OKLAHOMA KANSAS ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF COWLEY
 The foregoing instrument was acknowledged before me this 22 day of JULY, 2002,
 by William P. Swaim, Trustee of The William P. Swaim Revocable Trust Agreement
 Dated November 1, 1991

My commission expires 3-1-06



Pamela A. White
 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

004130

No. _____

OIL AND GAS LEASE

FROM

TO

COMPARED _____
 NUMERICAL _____
 DIRECT _____
 INDIRECT _____
 REGISTRATION _____

Date _____
 Section _____ Twp. _____ Rge. _____
 No. of Acres _____ Term _____
 County _____

STATE OF Kansas
 County Cowley

This instrument was filed for record on the 22nd

day of July, 2002
 at 2:10 o'clock P.M., and duly recorded
 in Book 651 Page 521 of

the records of this office.

By Nancy C. Swaim
 Register of Deeds.
 When recorded, return to 8.00 Filing Fee
4.00 Notary Fee

STATE OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 by _____
 of _____ a _____
 corporation, on behalf of the corporation.
 My commission expires _____
 Notary Public



Reorder No.
09-162

KANSAS BLUE PRINT CO. INC.
1201 1st St. • P.O. Box 752 • Wichita, KS 67201-0752

BOOK 0655 PAGE 480

Mid-Continent Association Form B

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

MARTIN MCCORGARY

hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto SUNDANCE OIL & GAS LLC

(hereinafter called Assignee), all right, title and interest in and to the oil and gas lease dated July 18, 2002, from William P. Swaim, Trustee for
The William P. Swaim Revocable Trust Agreement Dated November 1, 1991

lessor
to MARTIN MCCORGARY, lessee
recorded in book 654, page 521 insofar as said lease covers the following described land in Cowley County, State of Kansas:

The Southeast Quarter(SE1)

COMPARED _____
NUMERICAL /
DIRECT /
INDIRECT /
REGISTRATION /

of Section 7 Township 35 South Range 3 East and containing 160 acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said lease, estate, rights and property, free and clear from all liens, encumbrances or adverse claims; That said lease is a valid and subsisting lease on the land 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,

EXECUTED, This 1st day of August, 2002

MARTIN MCCORGARY

STATE OF KANSAS } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF COWLEY
Before me, the undersigned, a Notary Public, within and for said County and State, on this 1st day of August, 2002, personally appeared MARTIN MCCORGARY and

to me personally 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.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.
My commission expires December 20, 2004

Robert W. Morgan Notary Public

STATE OF KANSAS } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF COWLEY
Be it remembered, My Comm. Exp. 12/20/04
Notary Public, duly commissioned, in and for the county and state aforesaid, came _____ president of _____

a corporation of the State of _____, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

My commission expires _____

Notary Public

BOOK 0655 PAGE 480

Exhibit JK-3
Page 1 of 1

800 Sundance Oil & Gas, LLC

9 2 2 0 5 3 7 0 0 0 0

OFFICE OF THE SECRETARY OF STATE



CERTIFICATE
OF
LIMITED LIABILITY COMPANY

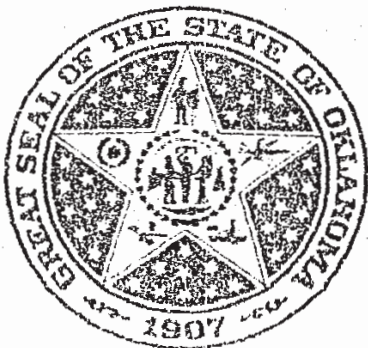
WHEREAS, the Articles of Organization of

SUNDANCE OIL & GAS, L.L.C.

an Oklahoma limited liability company, has been filed in the Office of the Secretary of State as provided by the laws of the State of Oklahoma.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.



Filed in the City of Oklahoma City this 19TH
day of OCTOBER, 1999.

Mike Hunter
Secretary of State

By: *Sherry E. Moore*

9 2 2 0 5 3 7 0 0 0 1

ARTICLES OF ORGANIZATION
OF
SUNDANCE OIL & GAS, L.L.C.
OKLAHOMA LIMITED LIABILITY COMPANY

FILED

OCT 19 1999

OKLAHOMA SECRETARY
OF STATE

TO: THE OKLAHOMA SECRETARY OF STATE
101 State Capitol
Oklahoma City, OK 73105

The undersigned, for the purpose of forming a limited liability company under the Oklahoma Limited Liability Company Act (the "Act"), does hereby execute the following Articles of Organization:

1. The name of the limited liability company is SUNDANCE OIL & GAS, L.L.C. (the "Company").

2. The Company is perpetual.

3. The purpose of which the Company is formed is the transaction of any or all lawful business for which limited liability companies may be organized under the Act.

4. The street address of the principal place of business of the Company in the State of Oklahoma is 1030 W. Main, Jenks, Oklahoma 74037.

5. The name and address of the registered agent of the Company in the State of Oklahoma is Andrew S. Hartman, Andrew S. Hartman, P.C., 320 S. Boston, Suite 2000, Tulsa, Oklahoma 74103.

6. The management of the Company is hereby vested in the following two managers: James Malcolm Cecil Haver and Phillip D. Tracy. Any third person dealing with the Company may rely absolutely upon the act, deed and/or signature of each manager as being the act of the Company and no third person shall be obligated

RECEIVED
OK SEC. OF STATE

OCT 19 1999

9 2 2 0 5 3 7 0 0 0 2

or privileged to inquire into or otherwise ascertain whether the act of such manager has been duly authorized.

IN WITNESS WHEREOF, these Articles of Organization have been executed on the 18th day of October, 1999, by the undersigned.

SOLE ORGANIZER


Andrew S. Hartman

RECEIVED
OK SEC. OF STATE
OCT 19 1999

OKLAHOMA SECRETARY OF STATE

FILED

JUN 26 2002

SUNDANCE OIL & GAS, L.L.C.
c/o ANDREW S HARTMAN
320 S BOSTON STE 2000
TULSA, OK 74103

OKLAHOMA SECRETARY
OF STATE 9/02 001#79419 TEMP1
\$25.00

ANNUAL CERTIFICATE
LIMITED LIABILITY COMPANIES

Pursuant to Title 18, Oklahoma Statutes, Section 2055.2, every domestic limited liability company and every foreign limited liability company registered to do business in this state shall file an Annual Certificate each year in the Office of the Secretary of State. The certificate shall confirm it is an active business and must include its principal place of business address.

1. Is the limited liability company active: ☒ yes ☐ no
2. The street address of the principal place of business address, wherever located:

1030 W. Main, Jenks, OK 74037

The annual certificate is due on the **first day of July each year** and must be accompanied by the filing fee in the amount of **\$25.00**.

A limited liability company that neglects, refuses or fails to file the annual certificate within sixty (60) days after the date due shall cease to be in good standing as a domestic limited liability company or registered as a foreign limited liability company in this state.


Signature of Member or Manager James Haver

To ensure proper credit, please return this notice along with your check for \$25.00, made payable and directed to:

OKLAHOMA SECRETARY OF STATE
2300 N. LINCOLN BLVD., ROOM 101
OKLAHOMA CITY, OKLAHOMA 73105-4897
(405) 522-4560

RECEIVED

JUN 26 2002

OKLAHOMA SECRETARY
OF STATE



OKLAHOMA SECRETARY OF STATE
2300 N. LINCOLN BLVD., ROOM 101
OKLAHOMA CITY, OK 73105-4897

Brad Henry
Governor

Sundance Oil & Gas, LLC

ANNUAL CERTIFICATE LIMITED LIABILITY COMPANIES

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1. Is the limited liability company active: x yes no
2. The street address of the principal place of business address, wherever located:

1030 W. Main, Jenks, OK 74037

The annual certificate is due on the **first day of July** each year and must be accompanied by the filing fee in the amount of **\$25.00**.

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Signature of Member or Manager

**To ensure proper credit, please return this notice along with your check for \$25.00,
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2300 N. LINCOLN BLVD., ROOM 101
OKLAHOMA CITY, OKLAHOMA 73105-4897
(405) 522-4560

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JUL 30 2003

**OKLAHOMA SECRETARY
OF STATE**

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

Operator: License # 30253
Name: CYCLONE PETROLEUM, INC.
Address: 1030 W. Main
City/State/Zip: Jenks, OK 74037
Purchaser: SEMINOLE TRANSPORTATION

Operator Contact Person: James Haver
Phone: (918) 291-3200

Contractor: Name: Summit Drilling
License: 30141

Wellsite Geologist: NA

Designate Type of Completion:

☒ New Well ☐ Re-Entry ☐ Workover
☐ Oil ☐ SWD ☐ SLOW ☐ Temp. Abd.
☒ Gas ☐ ENHR ☐ SIGW
☐ Dry ☐ Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:

Operator: _____

Well Name: _____

Original Comp. Date: _____ Original Total Depth: _____

☐ Deepening ☐ Re-perf. ☐ Conv. to Enhr./SWD

☐ Plug Back ☐ Plug Back Total Depth

☐ Commingled ☐ Docket No. _____

☐ Dual Completion ☐ Docket No. _____

☐ Other (SWD or Enhr.?) ☐ Docket No. _____

9/26/02 10/6/02 10/25/02

Spud Date or
Recompletion Date Date Reached TD Completion Date or
Recompletion Date

API No. 15 - 035-24169-00-00

County: COWLEY

SW SW SE/4 Sec. 7 Twp. 35 S. R. 3 ☒ East ☐ West

330 feet from (S) / N (circle one) Line of Section

2310 feet from (E) / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE (SE) NW SW

Lease Name: SWAIM-SUNDANCE Well #: 7

Field Name: Murphy

Producing Formation: Cleveland

Elevation: Ground: 1187 Kelly Bushing: _____

Total Depth: 3825 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 300 Feet

Multiple Stage Cementing Collar Used? ☒ Yes ☐ No

If yes, show depth set 2300' Feet

If Alternate II completion, cement circulated from _____

feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan Att 1 W 8-6-03
(Data must be collected from the Reserve Pit)

Chloride content _____ ppm Fluid volume _____ bbls

Dewatering method used _____

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License No.: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ ☐ East ☐ West

County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: _____

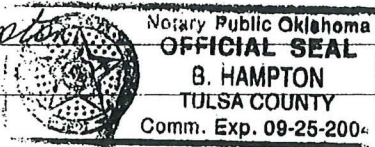
Title: President Date: 7-23-03

Subscribed and sworn to before me this 23 day of July

2003

Notary Public: B. Hampton

Date Commission Expires: _____



KCC Office Use ONLY

☒ Letter of Confidentiality Attached
If Denied, Yes ☐ Date: _____
☒ Wireline Log Received
☒ Geologist Report Received
☐ UIC Distribution

ORIGINAL

Side Two

Operator Name: CYCLONE PETROLEUM, INC. Lease Name: SWAIM-SUNDANCE Well #: 7
 Sec. 7 Twp. 35 S. R. 3 ☒ East ☐ West County: COWLEY

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken ☐ Yes ☒ No
 (Attach Additional Sheets)

Samples Sent to Geological Survey ☐ Yes ☒ No

Cores Taken ☐ Yes ☒ No

Electric Log Run ☒ Yes ☐ No
 (Submit Copy)

List All E. Logs Run:

Dual Induction Log
 Dual Comp. Porosity Log

RECEIVED

JUL 25 2003

KCC WICHITA

☐ Log Formation (Top), Depth and Datum ☐ Sample

Name	SEVERY LIME	1420	
	SEVERY SAND	1485 1505	Datum
	TOPEKA LIME	1600	
	TOP HOOVER	1920*	*possible gas shows in Hoover Sands
	BASE HOOVER	2115	
	DOUGLAS	2125	
	ITAN LIME	2240	
	STALNAKER	2290	
	LAYTON	2735	* possible to be higher
		2720	- If good drilling break. Drill 10' core.
			Samples 15 25 35" samples
	MARMATION	2955'	
	CLEVELAND SAND	3055 75	Possible oil or gas
	OSWEGO	3115	
	BAR IT LAYTON	3400	(Should have 1 SW/bbl LCM in Mud before drilling)
	RTV		
	MISSOURI	3455	
	MISS SOLID	3445	
	SIMPSON SAND	3765	*Drill 10' drilling bit
			Core samples 211 411 60"
		3800-3825	

CASING RECORD ☐ New ☐ Used

Report all strings set-conductor, surface, intermediate, production, etc.

Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
SURFACE	12 1/4	8 5/8		318	Class A	175	3% Cac12 & Flocele
PROD.	7 7/8	4 1/2	11.6	3550	Class A	240	2% Gel, 2% Cac12, Gilsonite 4#/sk

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
2	2151'-2153'	115 Sks Class A, 20/40 Sand	
2	3074'-3082', Cast Iron # 3150'	100 Sks Class A	
TUBING RECORD		Liner Run	
Size	Set At	Packer At	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2 3/8		2137'	
Date of First, Resumed Production, SWD or Enhr.		Producing Method	
NONE		<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls. Gas-Oil Ratio Gravity

Disposition of Gas

METHOD OF COMPLETION

Production Interval

☐ Vented ☐ Sold ☐ Used on Lease
 (If vented, Sumit ACO-18.)

☐ Open Hole ☐ Perf. ☐ Dually Comp. ☐ Commingled
☐ Other (Specify) _____

**BLUE STAR
ACID SERVICE, INC.**

PO Box 103
Eureka, Kansas 67045

Cementing Ticket
and Invoice Number

ORIGINAL
No. 3861

Date 10-6-02	Customer Order No.	Sect 7	Twp 35S	Range 3E	Truck Called Out 3:00 PM	On Location 5:45 PM	Job Began 6:25 PM	Job Completed 11:45 PM
Owner Cyclone Petroleum Inc.		Contractor Summit Drilg. Co.				Charge To Cyclone Petroleum Inc.		
Mailing Address 1030 W. MAIN		City Jenks				State OKlahoma		
Well No. & Form SWAIN-SUNDANCE #7		Place Cowley				State KANSAS		
Depth of Well 3825'	Depth of Job 3553'	Casing (New) <input checked="" type="radio"/> (Used) <input type="radio"/>	Size 4 1/2"	Weight 11.60 #	Size of Hole Amt. and Kind of Cement 7 7/8	Cement Left in casing by 340 SK	Request Necessity 0'	feet
Kind of Job Longstring - with 2 Stage Collar					Drillpipe 2300'	(Rotary) <input type="checkbox"/> (Cable) <input type="checkbox"/>	Truck No. #12	

Price Reference No. **#1**

Price of Job **665.00**

Second Stage **600.00**

Mileage **180.00**

Other Charges

Total Charges **1445.00**

Remarks **Safety Meeting: 1st Stage Rig up to 4 1/2" casing. Break Circulation with 20 bbl Fresh water. Mixed 115 SKS Regular Cement with additives. Shut down. wash out Pump & Lines. Release Latch down wiper Plug. Displace with 55.35 bbl Fresh water. Final Pumping Pressure 400 psi. Bump Plug to 1000 psi. Check float. float held. Drop Trip Bomb. Open Stage Collar 900 psi. Circulate for hrs. 2nd Stage: Pump 20 bbl Fresh water. Mixed 125 SKS Regular Cement with additives. Shut down. wash out Pump & Lines. Release Plug. Start Displacement. Plug hit 2 Stage Collar @ 20 bbl. Displacement should have been 35.6 bbl. DV Tool in w/ on position. (1300')**

Cementor **Kevin McCoy**

Helper **Mike, Justin, Russ**

District **EUREKA**

State **KS**

The above job was done under supervision of the owner, operator, or his agent whose signature appears below.

Thank You

[Signature]
Agent of contractor or operator

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
115 SKS	Regular Class "A" Cement	7.75	891.25
220 #	Gel 2%	9.50	20.90
220 #	Cach 2%	.35	77.00
460 #	Gilsonite 4# per/sk	.30	138.00
1 st Stage			
125 SKS	Regular Class "A" Cement	7.75	968.75
335 #	Gel 2%	9.50	22.32
235 #	Cach 2%	.35	82.25
500 #	Gilsonite 4# per/sk	.30	150.00
2 nd Stage			
1	4 1/2" AFU Float shoe	110.50	110.50
1	4 1/2" Cement Basket	100.00	100.00
6	4 1/2 x 7 7/8 Centralizers	26.00	156.00
1	4 1/2" 2 Stage Collar with Plugs	2,000.00	2,000.00
240 SKS Handling & Dumping		.50	120.00
11.78 TONS Mileage 80		.80	721.92
Sub Total			7,003.89
Delivered by #16, #4			
Delivered from EUREKA			
Signature of operator <i>[Signature]</i>			
Sales Tax 6.3%			441.24
Total			7,445.13

JUL 25 2003

KCC WICHITA

ORIGINAL
Ticket No. 3833

Cementor Brad Butler
Helper Steve Justin District Eureka State Kansas
The above job was done under supervision of the owner, operator, or his agent whose signature appears below
Harold Beck
Agent of contractor or operator

¹⁶ "Thank you"

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
175	Sks. Regular cement - Class A	7.75	4356.25
485	Lbs. YACLZ 32	.35	173.25
50	Lbs. Floccide 1/4 lb. per SK	1.00	50.00
1	8 5/8" Wooden Plug	40.00	40.00
Plugs	175 Sks Handling & Dumping	.50	87.50
	8.23 Ton Mileage 80	.80	526.72
	Sub Total		2838.72
Delivered by Truck No.	#16	Discount	
Delivered from	EweKa	Sales Tax	178.84
Signature of operator	Brian Butts	Total	3017.56

ORIGINAL

SEVERY LIME	1420
SEVERY SAND	1485-1505
TOPEKA LIME	1600
TOP HOOVER	1920* *possible gas shows in Hoover Sands
BASE HOOVER	2115
DOUGLAS	2125
ITAN LIME	2240
STALNAKER	2290
LAYTON	2735 * possible to be higher

2720 - If good drilling break. Drill 10' circ.
Samples 15-25-35" samples


MARMATION	2955'
CLEVELAND SAND	3055-75 Possible oil or gas
OSWEGO	3115
BARTLESVILLE	3400 (Should have 3 5#/bbl LCM in Mud before drilling
BTV.	3455
MISS (CHERT?)	3645
MISS SOLID	3765 *Drill 10' drilling bkt.
SIMPSON SAND	Circ samples 20-40-60"
	3800-3825

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JUL 25 2003
KCC WICHITA


SWAIM LEASE


SE/4 SEC. 7-35-3E, COWLEY CO.
Date of Aerial Photo April 2002


Legend

 Swaim Well Locations

07

 Swaim B1

Swaim 1 

 Swaim A1

322nd Rd

322nd Rd

322nd Rd

Google Earth

Image U.S. Geological Survey

2000 ft

Exhibit JK-6
Page 1 of 1



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: 9-1-11

KS Dept of Revenue Lease No.: N/A ✓

Lease Name: Swaim

SE Sec. 7 Twp. 35S R. 3 ☒ E ☐ W

Legal Description of Lease: SE Sec. 7-Twp. 35S-R 3E

County: Cowley

Production Zone(s): Douglas, Hoover

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 OK

Past Operator's License No. 30253 /

Contact Person: James Haver

Past Operator's Name & Address: Cyclone Petroleum, Inc.
7030-C S. Lewis St., Ste. 541, Tulsa, OK 74136

Phone: (918) 291-3200

Title: President

Date: 10-7-11

Signature: [Signature]

New Operator's License No. 32887 /

Contact Person: Cherl Prince

New Operator's Name & Address: _____
Endeavor Energy Resources, L.P.
110 N. Marienfeld, Ste. 200
Midland, TX 79701

Phone: 432-687-1575

Oil / Gas Purchaser: BP Energy (gas)

Date: Nov 12, 2011

Signature: [Signature]

Autry C. Stephens

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.

NOV 07 2011

KCC WICHITA

_____ 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 12-8-11 PRODUCTION 12.09.11 UIC 12-9-11
Mail to: Past Operator _____ New Operator _____ District _____

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

*Lease Name: Swaim *Location: SE Sec. 7-Twp. 35S-R 3E

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NOV 07 2011
KCC WICHITA

Exhibit JK-7
~~Page 2 of 3~~

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 # 30253
Name: Cyclone Petroleum, Inc.
Address 1: 7030-C S. Lewis St., Ste. 541
Address 2: _____
City: Tulsa State: OK Zip: 74136 + _____
Contact Person: James Haver
Phone: (918) 291-3200 Fax: (918) 291-3220
Email Address: jhaver@swbell.net

Well Location:
_____-SE Sec. 7 Twp. 35 S. R. 3 ☒ East ☐ West
County: Cowley
Lease Name: Swaim Well #: _____
If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
SW Sec. 7-Twp. 35S-R 3E

Surface Owner Information:

Name: William P. Swaim, Trustee
Address 1: 2500 Hummingbird Lane
Address 2: _____
City: Ponca City State: OK Zip: 74601 + _____

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: 10-17-11 Signature of Operator or Agent: _____ Title: President

RECEIVED

NOV 07 2011

ASSIGNMENT AND BILL OF SALE
WITH RESERVATION OF WORKING INTEREST

STATE OF KANSAS
COUNTIES OF SUMNER AND COWLEY

WHEREAS, reference is made to the following:

- 1) Assignment and Bill of Sale with Reservation of Overriding Royalty dated effective September 1, 2011, from Cyclone Petroleum, Inc. et al (Assignors) to Newkumet Exploration, Inc. (Assignee) and recorded in the records of Sumner County, Kansas covering certain Leases, Wells and Equipment more fully described in said Assignment attached hereto and made a part hereof as Exhibit "A"; and
- 2) Assignment and Bill of Sale with Reservation of Overriding Royalty dated effective September 1, 2011, from Cyclone Petroleum, Inc. et al (Assignors) to Newkumet Exploration, Inc. (Assignee) and recorded in the records of Cowley County, Kansas covering certain Leases, Wells and Equipment more fully described in said Assignment attached hereto and made a part hereof as Exhibit "B".
- 3) Oil and Gas Lease dated October 1, 2011 by and between E. W. Stalnaker, Trustee of the E. W. Stalnaker Trust UAD 10/1/2002 and David L. Stalnaker and wife, Peggy A. Stalnaker, Lessor and Newkumet Exploration, Inc., Lessee, covering the S/2 of Section 21, Township 34 South, Range 2 East, Sumner County, Kansas, containing 320 acres, more or less.

NOW THEREFORE, NEWKUMET EXPLORATION, INC., whose address is P. O. Box 11330, Midland, Texas 79702, hereinafter referred to as Assignor, for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars, the receipt and sufficiency of which is hereby acknowledged, does hereby assign, sell, transfer, and convey unto the following parties in the respective undivided proportionate percentage interest set out by each parties' name, (hereinafter collectively referred to as "Assignees"), each parties' respective percentage share of Assignor's undivided right, title and interest in, to and under the Oil and Gas Leases, Wells and Equipment acquired in 1), 2) and 3) above ("Assets"):

ASSIGNEES:	PERCENTAGE INTERESTS
Endeavor Energy Resources, L.P. 110 N. Marienfeld, Suite 200 Midland, TX 79701	87.50%
Newkumet Exploration, Inc. P. O. Box 11330 Midland, TX 79702	3.50%
Bradley Bates 101 Blackberry Court Midland, TX 79705	5.00%
Joe Driskill RR 2 Box 258 Nowata, OK 74048	2.50%
Travis Newkumet P. O. Box 601359 Dallas, TX 75360-1359	1.50%

INDEXED _____
DIRECT _____
IMPERFECT _____
PHOTO _____
COMPARED WITH
COPY _____

Cowley County, KS
 Register of Deeds
 Nancy C. Horst
 Book: 111 Page: 625
 Record #: 35532 Total Fees: \$80.00
 Pages Recorded: 19
 Date Recorded: 11/16/2011 1:12:04 PM

005793 ~~CONFIDENTIAL~~

NUMERICAL ☒

DIRECT ☒

INDIRECT ☒

REGISTRATION ☒

This Assignment and Bill of Sale is subject to Assignment of Overriding Royalty Interests dated effective September 1, 2011 from Newkumet Exploration, Inc. to Jim Newkumet and Travis Newkumet.

Assignor hereby retains a Reversionary Working Interest of 30% (Thirty Percent) if "Payout" occurs prior to September 1, 2012 or 25% (Twenty Five Percent) if "Payout" occurs after September 1, 2012, in the Assets, including the leases, wells and equipment located thereon at the date of "Payout" as defined herein. The Reversionary Working Interest is to become effective as of 7:00 A.M. on the first day of the month following the occurrence of "Payout" as hereinafter defined (herein referred to as the "Reversionary Interest"). The Reversionary Interest shall burden only the interests of Assignees, Endeavor Energy Resources, L.P. and Bradley Bates.

"Payout" is hereby defined as the date on which Endeavor Energy Resources, L.P. and Bradley Bates ("Endeavor and Bates") shall have received from the proceeds of the sale of production attributable to the leases, wells and equipment located on the Assets (net of state severance taxes, and royalty and overriding royalty burdens to which such Assets are subject as of the effective date hereof and amount equal to (i) the purchase price paid by Endeavor and Bates for the Assets; (ii) all amounts expended by Endeavor and Bates in the operation of the Assets including, but not limited to all lease operating expenses and all amounts expended in any re-working or drilling of currently existing and new wells. Endeavor and Bates agree to furnish Assignor with statements of the payout account no less often than quarterly, along with all applicable evidence supporting such statements if requested by Assignor.

NOW THEREFORE, Assignor, Newkumet Exploration, Inc., hereby assigns, transfers and conveys to Jim Newkumet, whose address is P. O. Box 619, Oklahoma City, Oklahoma 73101-0619, 12.00% (Twelve Percent) of the Reversionary Interest described and retained herein.

This Assignment is made without warranty express or implied, and the terms and provisions shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, representatives, successors, and assigns.

IN WITNESS WHEREOF, this instrument is executed and made effective this 2nd day of September, 2011.

ASSIGNOR:

NEWKUMET EXPLORATION, INC.

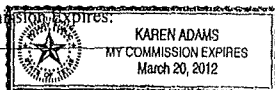
BY:

Wayne Newkumet
Wayne Newkumet
President

STATE OF TEXAS }
 }
COUNTY OF MIDLAND }

This instrument is acknowledged before me this 18th day of October, 2011 by Wayne Newkumet, President of Newkumet Exploration, Inc., a Texas corporation, on behalf of said corporation.

My Commis



Karen Adams
Notary Public

Exhibit "A"
Attached to and hereby made a part of Assignment and Bill of Sale with Reservation of Working Interest dated September 2, 2011 from Newkumet Exploration, Inc., Assignor, to Endeavor Energy Resources, L.P., et al, Assignees.

ASSIGNMENT AND BILL OF SALE
With Reservation of Overriding Royalty

STATE OF KANSAS }

COUNTY OF SUMNER }

This Assignment and Bill of Sale ("Assignment"), dated October 7, 2011, is between Cyclone Petroleum, Inc., Haveco Oil & Gas Properties, LLC, HBF Limited Partnership, Concorde Resources Corporation, Ashton Gas Gathering, LLC, and Sundance Oil & Gas, LLC whose address is 1030 West Main Street, Jenks, Oklahoma, 74037 ("Assignors"), and Newkumet Exploration, Inc., whose address is P.O. Box 11330, Midland, Texas 79702 ("Assignee").

Recitals

Assignor owns an interest in oil, gas and/or mineral leases described in Exhibit "A," attached hereto and made a part hereof (the "Leases"), insofar as the Leases cover the lands located in Sumner County, Kansas, described in said exhibit (the "Lands"), and a like interest in and to the wells, equipment, personal property and fixtures located thereon and used or useful in connection therewith (the "Wells and Equipment") as further stated on Exhibit "A".

Assignment

For valuable consideration received, and subject to the further provisions hereof, Assignor does hereby assign, transfer, sell, grant and convey unto Assignee an One-Hundred percent (100%) of Assignor's undivided right, title and interest in, to and under the Leases described in Exhibit "A", insofar as the Leases cover the Lands, and in and to the Wells and Equipment as further described in Exhibit "A", less and except the overriding royalty interests of record as of August 1, 2011 in favor of one or more of the Assignors and/or related parties including, but not limited to the overriding royalty interests described in Exhibit "B" attached hereto. The assigned interests are collectively, the "Subject Interests".

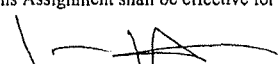
The Subject Interests shall be owned by Assignee subject to, and shall bear their proportionate share of, the following:

- i. the terms and provisions of the Leases, including, but not limited to, the obligation to pay royalties thereunder;
- ii. the instruments and documents affecting the Leases, Lands and/or Unit, including, but not limited to, assignments of or reserving overriding royalty interests and/or other leasehold burdens, if any, recorded in the official public records of Sumner and Cowley Counties, Kansas, as of August 18, 2011.

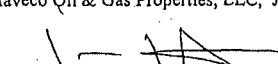
Assignor hereby warrants title to the Subject Interests by, through and under Assignor, but not otherwise, all other warranties and all representations, express, implied and/or statutory, including, but not limited to, any warranty or representation as to the quality, quantity, weight, grade, fitness for particular purpose or merchantability of the Wells and Equipment, or the oil, gas or other substances produced from the Unit, being hereby expressly negated.

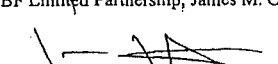
TO HAVE AND TO HOLD the Subject Interests unto Assignee, its heirs, successors, personal representatives and assigns forever.

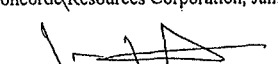
This Assignment shall be effective for all purposes on September 1, 2011.


Cyclone Petroleum, Inc., James M. C. Haver, President


Haveco Oil & Gas Properties, LLC, James M. C. Haver, Manager


HBF Limited Partnership, James M. C. Haver, President of JHBP, Inc. the General Partner


Concorde Resources Corporation, James M. C. Haver, President


Ashton Gas Gathering, LLC, James M. C. Haver, President of Cyclone Petroleum, the Manager


Sundance Oil & Gas, LLC, James M. C. Haver, Manager of Haveco OGP, the Manager

THE STATE OF OKLAHOMA }
COUNTY OF TULSA }

Before me, a notary public in and for this state, on this 5th day of October, 2011 personally appeared James M.C. Haver to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as president, and manager of the entities above and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of the corporations, partnerships, and limited liability companies listed above, for the uses and purposes therein set forth.



Ida Hamilton
Notary Public, State of Oklahoma

IDA HAMILTON
Printed name of Notary

AFTER RECORDING
PLEASE RETURN TO:

NEWKUMET EXPLORATION
P. O. BOX 11330
MIDLAND, TEXAS 79702

EXHIBIT "A"

Attached to and made a part of the Assignment and Bill of Sale between Haveco Oil & Gas Properties, LLC, Cyclone Petroleum INC., HBF Limited Partnership, Concorde Resources Corporation, Ashton Gas Gathering, LLC, and Sundance Oil & Gas, LLC, and Newkumet Exploration, Inc with an effective date of September 1, 2011

The following Oil and Gas Leases situated in Sumner County Kansas, including all Operating Agreements, Gas Contracts, Gathering Agreements, Right of Way Agreements and other Contracts and Agreements relating to the Assigned Property. It is the intent herein to assign all of Assignors interest in the Oil and Gas Leases and properties described herein (reserving the Overriding Royalty shown on Exhibit B) whether described correctly or under described herein. Assignor agrees to fully cooperate with Assignor in any curative and correction or clarifications necessary to transfer title to Assignee.

WILLIS T. THOMAS LEASE

Description: Lease dated June 1, 1979, being 158 acres, more or less, in the NE/4 of Section 19-34S-2E, and recorded in Book 227, Page 336, Sumner County, Kansas.

VIRGINIA F. McLAUGHLIN

Description: Lease dated June 1, 1979, being 160 acres, more or less in the SE/4 of Section 19-34S-2E, and recorded in Book 226, Page 602, Sumner County, Kansas.

HERMAN WOLF #2 & #5

Description: 60 acres, more or less, in the N/2 of the NW/4 of the NW/4, SE/4 of the NW/4 of the NW/4, SW/4 of the NE/4 of the NW/4, NE/4 of the SW/4 of the NW/4, and NW/4 of the SE/4 of the NW/4 out of lease dated January 10, 1975, and recorded in Book P-165, Page 270, covering 160 acres, more or less, in NW/4 of Section 29-34S-2E, Sumner County, Kansas.

HERMAN WOLF B#4 LEASE

Description: Assignment dated May 1, 1984, and recorded in Book 296, Page 692, Sumner County, Kansas, and covering 40 acres, more or less, in the NW/4 of the NE/4 of the NW/4 and NE/4 of the NE/4 of the NW/4 and SE/4 of the NE/4 of the NW/4 and NE/4 of the SE/4 of the NW/4 of Section 29-34S-2E, Sumner County, Kansas.

HELEN WORK #2

Description: Assignment dated May 3, 1982, covering 320 acres, more or less, in the S/2 of Section 29-34S-2E, and recorded in Book 269, Page 216, Sumner County, Kansas.

HASLOUER-LESPERANCE UNIT

Description: Lease being 160 acres, more or less, out of the NE/4 of Section 31-34S-2E, and recorded in Book P-195, Page 365 and in book P-195, Page 252, Sumner County, Kansas and

Lease being 160 acres, more or less, out of the NW/4 of Section 32-34S-2E, and recorded in Book P-195, Page 250, Sumner County, Kansas.

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CHAPMAN:

Oil and gas lease dated October 29, 2004, from Hazel C. Chapman, Barbara A. Lisiecki, f/k/a Barbara A. Harreld, and Judy L. Brown, as Co-Trustees of Hazel C. Chapman Living Trust under indenture dated August 19, 1997, Lessors, to Haveco Oil & Gas Properties, LLC, Lessee, covering the NW/4 of SEC 28 T34S-R2E, and a strip of land beginning at the northwest corner of the southwest quarter of SEC 28 T34S-R2E thence east along the north line of said quarter section to the northeast corner of said quarter section, thence south 3 rods, thence northwesterly to the place of beginning, Except a tract described as follows, to-wit: commencing at the southwest corner of said northwest quarter at a point where the south line thereof and the west line thereof intersect, thence east on said south line 545 feet, thence north 98 feet, thence in a westerly direction to a point on the west line of said northwest quarter, 83 feet north of the point of beginning, thence south on said west line of said northwest quarter to the point of beginning, containing 1.13 acres more or less all in Sumner County, Kansas and containing 160.5 acres, more or less and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 670 at Page 214.

Oil and gas lease dated October 29, 2004, from Wilma J. Nugen, Trustee of Wilma J. Nugen Trust of June 27, 1990, Lessors, to Haveco Oil & Gas Properties, LLC, Lessee, covering the NW/4 of SEC 28 T34S-R2E, and a strip of land beginning at the northwest corner of the southwest quarter of SEC 28 T34S-R2E thence east along the north line of said quarter section to the northeast corner of said quarter section, thence south 3 rods, thence northwesterly to the place of beginning, Except a tract described as follows, to-wit: commencing at the southwest corner of said northwest quarter at a point where the south line thereof and the west line thereof intersect, thence east on said south line 545 feet, thence north 98 feet, thence in a westerly direction to a point on the west line of said northwest quarter, 83 feet north of the point of beginning, thence south on said west line of said northwest quarter to the point of beginning, containing 1.13 acres more or less all in Sumner County, Kansas and containing 160.5 acres, more or less and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 670 at Page 211

LAWSON (Anderson Woods, Homestead, Dean)

Description: Oil and gas lease dated September 9, 1993, from Peggy Joy Venus and Patsy Jewel Hickman, Individually and as Co-Trustees of the A.C. Lawson Irrevocable Trust Indenture dated March 30, 1973 and A.C. Lawson, Inc., Lessor, to Integrated Energy Services Corp., Lessee, recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 454 at Pages 471, covering:

Tract No. 1 Lots 1, 2, 7, and 8 (NE ¼) of Section 2, Township 35 South, Range 2 East, Sumner County, State of Kansas containing approximately 160 acres.

Tract No. 2 Lots 3, 4, 5, and 6 (NW ¼) of Section 2, Township 35 South, Range 2 East, Sumner County, State of Kansas containing approximately 160 acres.

Tract No. 3 North Half (N ½) of Section 11, Township 35 South, Range 2 East, Sumner County, State of Kansas containing approximately 319 acres.

Tract No. 4 Northwest Quarter (NW ¼) of Section 12, Township 35 South, Range 2 East, Sumner County, State of Kansas containing approximately 160 acres.

Tract No. 5 North Half of Southwest Quarter (N ½ of SW ¼) of Section 12, Township 35 South, Range 2 East, Sumner County, State of Kansas containing approximately 80 acres.

Tract No. 6 Northeast Quarter (NE ¼) of Section 16, Township 35 South, Range 2 East, Sumner County, State of Kansas containing approximately 160 acres.

Tract No. 7 Lot 2 and North Half of Southeast Quarter (SW ¼ of SE ¼ and N ½ of SE ¼) of Section 16, Township 35 South, Range 2 East, Sumner County, State of Kansas containing approximately 120 acres.

Barton (Sundance # 2)

Oil and gas lease dated April 25, 2000, from Helen L. Barton, a widow, Lessor, to Sundance Oil & Gas LLC. As Lessee, recorded in book 545, at Page 683, in so far as said lease covers the Southeast Quarter (SE/4) of Section One (1), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

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Strother Field (Sundance # 3 & 8)

Oil and gas lease dated May 24, 2000, from The city of Winfield, Kansas, Greg Thompson, Mayor and the City of Arkansas City, Kansas, Charles Jennings, Mayor, as Lessor, to Sundance Oil & Gas LLC. As Lessee, recorded in book 550, at Page 355, in so far as said lease covers the Southeast Quarter (SE/4) of Section Thirty-six (36), Township Thirty-Four (34) South, Range Two (2) East, Sumner County, State of Kansas:

Strother Field (Sundance # 4)

Oil and gas lease dated March 5, 2001, from The city of Winfield, Kansas, Greg Thompson, Mayor and the City of Arkansas City, Kansas, Charles Jennings, Mayor, as Lessor, to Sundance Oil & Gas LLC. As Lessee, recorded in book 565, at Page 281, in so far as said lease covers the Northwest Quarter (NW/4) of Section Thirty-six (36), Township Thirty-Four (34) South, Range Two (2) East, Sumner County, State of Kansas:

STALNAKER (Sundance # 11)

Oil and gas lease dated September 1, 2003, from Estate of Patrica Ann Williams, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 472, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from David Stalnaker, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 474, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from Sharon K. Shelton, Trustee, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 476, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from Lawrence L. Stalnaker, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 478, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from Carolyn Sue Mobley, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 480, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from E. W. Stalnaker Rev. Trust UAD 10-01-02, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 482, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from P. C. or R.E. Stalnaker, Trustee, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 484, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from R.E. or P.C. Stalnaker, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 486, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

Oil and gas lease dated September 1, 2003, from Rosalie Darlene Pudden, Trustee/Trust, Lessor, to Haveco Oil & Gas Properties, LLC., recorded in book 637, Page 488, in so far as said lease covers the West Half (W/2) of Southeast Quarter (SE/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

STALNAKER #1 & #2

Oil and gas lease dated July 11, 1991, from M.J. Stalnaker, a single person, Raymond E. And Patricia C. Stalnaker, Trust R.E. Stalnaker, Trustee, Lessor, to Psappa Energy, Inc., recorded in book 398, Page 231, in so far as said lease covers the Southwest Quarter (SW/4) of Section Eleven (11), Township Thirty-Five (35) South, Range Two (2) East, Sumner County, State of Kansas:

RINDT:

Oil and gas lease dated November 1, 2006, from Fred McLaughlin and Marjorie McLaughlin, his wife, Lessors, to J. Fred Hambright, Inc., Lessee, covering the Southeast Quarter of Section 2, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 728 at Page 634.

Oil and gas lease dated October 23, 2006, from Martha Helen Brooks, a single person, Lessor, to J. Fred Hambright, Inc., Lessee, covering the Southeast Quarter of Section 2, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 728 at Page 632.

Oil and gas lease dated November 1, 2006, from Galen McLaughlin and Marjory McLaughlin, his wife, Lessors, to J. Fred Hambright, Inc., Lessee, covering the Southeast Quarter of Section 2, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 737 at Page 416.

Oil and gas lease dated July 18, 2005 from Donna L. Rindt, Trustee of the Donna L. Rindt Revocable Trust dated September 1, 1997, Lessor, to J. Fred Hambright, Inc., Lessee, covering the Southeast Quarter of Section 2, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 694 at Page 312.

Oil and gas lease dated July 18, 2005, from Fred D. Rindt, Trustee of the Fred D. Rindt Revocable Trust dated September 1, 1997, Lessor, to J. Fred Hambright, Inc., Lessee, covering the Southeast Quarter of Section 2, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 694 at Page 310.

METZINGER/McCORGARY:

Oil and gas lease dated January 1, 1993, from Mary Ellen McCorgary and Eugene F. McCorgary, Lessors, to B & B Energy, Inc., Lessee, covering the Southwest Quarter of Section 26, Township 34 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in book 419 at Page 591.

ATKINS/ROGERS PORK:

Oil and gas lease dated December 7, 2005, from Rogers Pork, Inc., Lessor to Edward L. Broyles, Lessee, covering the Southeast Quarter of Section 20, Township 34 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 701 at Page 647.

SETTERSTROM:

Oil and gas lease dated March 12, 2004, from Richard K. Ryle, II and Constance G. Ryle, his wife, to Haveco Oil & Gas Properties, LLC, Lessee, covering Lots 3, and 4, a/d/a N/2 of NW/4 of SEC 3, T35S-R2E, Sumner County, Kansas (96.36 acres) and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 653 at Page 385.

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ROSECRANS:

Oil and gas lease dated October 19, 1950, from Eva J. Rosecrans, et al, Lessors, to F.P. Phelps, Lessee, covering the Southwest Quarter and West Half of the Southeast Quarter of Section 17, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 0-21 at Page 186, less and except that portion of said lease pertaining to the Southwest Quarter of Section 17, Township 35 South, Range 2 East, Sumner County Kansas.

FORBECK:

Oil and gas lease dated January 10, 1998, from Thomas D. Forbeck and Elvena I. Forbeck, Lessors, to Jaed Production Co., Inc., Lessee, covering the East Half of the Southwest Quarter of Section 15, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 536 at Page 436.

Oil and gas lease dated January 10, 1998, from Loretta Kay Lathers, Lessor, to Jaed Production Co., Inc., Lessee, covering the East Half of the Southwest Quarter of Section 15, Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 502 at Page 138.

Ashton Compression Site:

Lease and Pipeline Easement Agreement effective date October 1, 1978, from Harry A. Shutler, Trustee, and Helen Key Kuhlmeier, Owners, to Herndon Oil and Gas Company, covering the following lands: beginning at a point approximately 215 feet West and 26 North of the Southeast corner of the Southeast Quarter of Section 12, Township 35 South, Range 2 East; thence West along the fence line a distance of 70 feet; thence North 80 feet; East 70 feet; thence South 80 feet to a point of beginning, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in book 215 at Page 230.

Ark City Plant:

Lease Agreement dated January 1, 1998, from Webster S. Ball and Marguerite L. Ball, Owners, to Hanson Engineering, L.C., Hanson, covering the following land: beginning at a point approximately 26 feet North and 26 west of the Southeast corner of the Southeast Quarter of Section 12, Township 35 South, Range 2 East; thence a distance of 198 feet; thence North 80 feet; East 189 feet; thence South 80 feet to a point of beginning, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in book 555 at Page 688.

Ball Site Lease

Lease Agreement dated June 24, 2011, from Webster S. Ball and Marguerite L. Ball, Owners, to Concorde Resources Corporation, covering the following land: in the Southeast Quarter of Section 12, Township 35 South, Range 2 East; beginning at a point approximately 215 feet West and 26 North of the Southeast corner of the Southeast Quarter of Section 12, Township 35 South, Range 2 East; thence West along the fence line a distance of 70 feet; thence North 80 feet; East 70 feet; thence South 80 feet to a point of beginning, and a tract beginning at a point approximately 26 feet North and 26 west of the Southeast corner; thence west a distance of 198 feet; thence North 80 feet; East 189 feet; thence South 80 feet to a point of beginning, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in book 852 at Page 653.

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Lawson ROW:

Right of Way Grant dated May 18, 1994, from A. C. Lawson Inc, to Concorde Resources Corporation, covering the NW/4 of Section 2, the N/2 of Section 11 and the N/2 of SW/4 of section 12 all in Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 442 at Page 564

McLaughlin ROW:

Right of Way Grant dated March 30, 1994, from Marvin H. McLaughlin, to Concorde Resources Corporation, covering the S/2 of SW/4 Section 2, in Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 444 at Page 375

Vikki Metzinger ROW:

Right of Way Grant dated April 4, 1994, from Vikki Metzinger, to Concorde Resources Corporation, covering the NW/4 Section 35, in Township 34 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 444 at Page 377.

Bill Metzinger ROW:

Right of Way Grant dated March 29, 1994, from Bill J. Metzinger and Dorothy H. Metzinger, to Concorde Resources Corporation, covering the SW/4 Section 35, in Township 34 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 444 at Page 379

Ball ROW:

Right of Way Grant dated March 30, 1994, from Webster S. Ball and Marguerite L. Ball to Concorde Resources Corporation, covering the SE/4 Section 12, in Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 444 at Page 372.

Smith ROW:

Right of Way Grant dated April 1, 1994, from E. Anthony Smith, Cheryl M. Smith, Joe C. Smith and Frances R. Smith to Concorde Resources Corporation, covering the SE/4 Section 12, in Township 35 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 444 at Page 369

Ruyle ROW:

Right of Way Grant dated October 15, 2008, from Richard K. Ruyle and Constance G. Ruyle, his wife to Haveco Oil & Gas Properties LLC, covering the NW/4 Section 3, in Township 35 South, Range 2 East and the SW/4 of Section 34, in Township 34 South, Range 2 East, Sumner County, Kansas and which was recorded in the Office of the Register of Deeds of Sumner County, Kansas in Book 774 at Page 572.

Yust ROW:

Right of Way Grant dated May 22, 2004, from Captola M Yust to Haveco Oil & Gas Properties LLC, covering the N ½ of the NE/4 Section 3, in Township 35 South, Range 2 East, Sumner County, Kansas.

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EXHIBIT "A"

Bill of Sale

Attached to and made part of the Assignment and Bill of Sale between Haveco Oil & Gas Properties, LLC, Cyclone Petroleum INC., HBF Limited Partnership, Concorde Resources Corporation, Ashton Gas Gathering, LLC, and Sundance Oil & Gas, LLC, and Newkumet Exploration, Inc with an effective date of September 1, 2011

All equipment and fixtures located on leases listed on this Exhibit "A" as of September, 1, 2011

And the following equipment located at the Ark City Plant site in the SE/4 of Section 12 T35S R2E in Sumner County Kansas.

Ark City Plant Equipment List:

- 1-Product Storage Tank , 300 BBL, 30PSIG W.P.
- 1-Product Stabilizer, 6" ID x 20", Wp=400#, PROCESS EQ. CORP., PLT 1188
- 1-Product Stabilizer Reboiler, 12"x 6, WP=400#, PROCESS EQ. CORP., PLT 1188
- 1-Glycol Reboiler, 250 MBTU/HR, 9"x18", PROCESS EQ. CORP., PLT 1188
- 1-3-Phase Separator, 16"x7"x6", WP=600, PROCESS EQ. CORP., PLT 1188
- 1-Gas/Gas Exch., 600# W.P., PROCESS EQ. CORP., PLT 1188
- 1-Gas Chiller, 600# W.P., PROCESS EQ. CORP., PLT 1188
- 1-Aerocooler/C3 Condenser
- 1-Refrigeration Compressor-Carrier 5HC60 w/30HP Electric Motor

Exhibit "B"

Overriding Royalty Schedule

LEASE/NAME	LEGAL DESCRIPTION	COUNTY	Lease NRI	Have ORRI
Thomas	NE/4 SEC 19 T34S R2E	sumner	80.00000%	7.500000%
McLaughlin	SE/4 SEC 19 T34S R2E	sumner	80.00000%	7.500000%
Wolf 2 & 5	40 ACRES OF THE NW/4 SEC 29 T34S R2E	sumner	78.96481%	
Wolf B 4	NW/4 SEC 29 T34S R2E 60 ACRES OF THE NW/4 SEC 29 T34S R2E	sumner	77.40000%	0.781300%
Work, # 4-29	SE/4 SEC 29 T34S R2E	sumner	78.90000%	
Helen Works	SW/4 SEC 29 T34S R2E	sumner	78.90000%	
Haslouer - Lesperance Unit	NW/4 SEC 32 T34S R2E & NE/4 SEC 31 T34S R2E	sumner	80.00000%	3.040610%
Chapman	NW/4 SEC 28 T34S R2E	sumner	80.00000%	7.500000%
(Lawson) Anderson Woods	N/2 Sec 11 T35S R2E		80.00000%	3.333330%
Anderson Woods			80.00000%	3.333330%
			80.00000%	3.333330%
(Lawson) Homestead	N/2 Sec 2 T35S R2E	sumner	75.00000%	3.333300%
		sumner		
(Lawson) Dean	NW/4 & N/2 of SW/4, Sec 12 T35S R2E and SW/4 of SE/4 & N/2 SE/4 16, T35S, R2E	sumner	80.00000%	3.333330%
			80.00000%	3.333330%
Barton	SE Sec 1 T35S R2E	sumner	80.00000%	
Strother Field	SE Sec 36 T34S R2E	sumner	80.00000%	2.375000%
Strother Field	NW Sec 36 T34S R2E	sumner	80.00000%	2.375000%
Swain	SE Sec 7 T35S R 3E	cowley	80.00000%	3.250000%
Collinson	Lots 3 & 4 NW SEC 6 T35S	cowley	80.00000%	7.500000%
Stalnaker	W/2 SE SEC 11 T35S, R2E	sumner	80.00000%	4.375000%
Stalnaker	SW Sec 11 T35S R2E	sumner	80.00000%	1.250000%
Rindt	SE Sec 2 T35S R2E	sumner	80.00000%	7.500000%
Taucher	E/3 SW SEC 34 T34S R3E	cowley	80.00000%	4.375000%
Reynolds	W/2 SW4 SEC 34 T34S R3	cowley	75.00000%	5.000000%
Grainland	W/2 SW4 SEC 34 T34S R3	cowley	75.00000%	6.250000%
Berry	N/2 N/2NW SEC 4 T35S R2	cowley		
Ball	SE Sec 12 T35S R2E	cowley	100.00000%	
Metzinger McCorga	SW SEC 26 T34S R2E	sumner	80.00000%	0.499813%
Adkins	SE/4 SEC 20 T34S R2E	sumner	73.00000%	
Lawson	NE 16, T35S, R2E	sumner	80.00000%	3.333300%
Sellerstrom	N/2 NW/4 sec 3 T35S R2E	sumner	80.00000%	6.788955%
Rosecrantz	W/2SE Sec17 T35, R2	sumner	80.90000%	
JD Baird	SE SEC 29 T34S R3E	cowley	75.00000%	4.000000%
Bruce (Peters)	NW SEC 29 T34S R3E	cowley	75.00000%	3.125000%
Gilbert	SW NE SEC 3 T34S R3E	cowley	80.00000%	4.765630%
Forbeck	E/2 SW SEC 15 T35S R2E	Sumner	80.00000%	6.797000%

1-4
10-5-11

Exhibit "B"

Attached to and hereby made a part of Assignment and Bill of Sale with Reservation of Working Interest dated September 2, 2011 from Newkumet Exploration, Inc., Assignor, to Endeavor Energy Resources, L.P., et al, Assignees.

ASSIGNMENT AND BILL OF SALE
With Reservation of Overriding Royalty

STATE OF KANSAS

COUNTY OF COWLEY

This Assignment and Bill of Sale ("Assignment"), dated October 7, 2011, is between Cyclone Petroleum, Inc., Haveco Oil & Gas Properties, LLC, HBF Limited Partnership, Concorde Resources Corporation, Ashton Gas Gathering, LLC, and Sundance Oil & Gas, LLC whose address is 1030 West Main Street, Jenks, Oklahoma, 74037 ("Assignors"), and Newkumet Exploration, Inc., whose address is P.O. Box 11330, Midland, Texas 79702 ("Assignee").

Recitals

Assignor owns an interest in oil, gas and/or mineral leases described in Exhibit "A," attached hereto and made a part hereof (the "Leases"), insofar as the Leases cover the lands located in Cowley County, Kansas, described in said exhibit (the "Lands"), and a like interest in and to the wells, equipment, personal property and fixtures located thereon and used or useful in connection therewith (the "Wells and Equipment") as further stated on Exhibit "A".

Assignment

For valuable consideration received, and subject to the further provisions hereof, Assignor does hereby assign, transfer, sell, grant and convey unto Assignee an One-Hundred percent (100%) of Assignor's undivided right, title and interest in, to and under the Leases described in Exhibit "A", insofar as the Leases cover the Lands, and in and to the Wells and Equipment as further described in Exhibit "A", less and except the overriding royalty interests of record as of August 1, 2011 in favor of one or more of the Assignors and/or related parties including, but not limited to the overriding royalty interests described in Exhibit "B" attached hereto. The assigned interests are collectively, the "Subject Interests".

The Subject Interests shall be owned by Assignee subject to, and shall bear their proportionate share of, the following:

- i. the terms and provisions of the Leases, including, but not limited to, the obligation to pay royalties thereunder;
- ii. the instruments and documents affecting the Leases, Lands and/or Unit, including, but not limited to, assignments of or reserving overriding royalty interests and/or other leasehold burdens, if any, recorded in the official public records of Sumner and Cowley Counties, Kansas, as of August 18, 2011.


Assignor hereby warrants title to the Subject Interests by, through and under Assignor, but not otherwise, all other warranties and all representations, express, implied and/or statutory, including, but not limited to, any warranty or representation as to the quality, quantity, weight, grade, fitness for particular purpose or merchantability of the Wells and Equipment, or the oil, gas or other substances produced from the Unit, being hereby expressly negated.

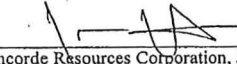
TO HAVE AND TO HOLD the Subject Interests unto Assignee, its heirs, successors, personal representatives and assigns forever.

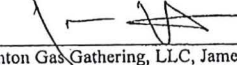
This Assignment shall be effective for all purposes on September 1, 2011.


Cyclone Petroleum, Inc., James M. C. Haver, President


Haveco Oil & Gas Properties, LLC, James M. C. Haver, Manager


HBF Limited Partnership, James M. C. Haver, President of JHBP, Inc. the General Partner

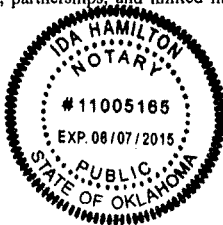

Concorde Resources Corporation, James M. C. Haver, President


Ashton Gas Gathering, LLC, James M. C. Haver, President of Cyclone Petroleum, the Manager


Sundance Oil & Gas, LLC, James M. C. Haver, Manager of Haveco OGP, the Manager

THE STATE OF OKLAHOMA)
COUNTY OF TULSA)

Before me, a notary public in and for this state, on this 5th day of October, 2011 personally appeared James M.C. Haver to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as president, and manager of the entities above and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of the corporations, partnerships, and limited liability companies listed above, for the uses and purposes therein set forth.



Ida Hamilton
Notary Public, State of Oklahoma

IDA HAMILTON
Printed name of Notary

AFTER RECORDING
PLEASE RETURN TO:

NEWKUMET EXPLORATION
P. O. BOX 11330
MIDLAND, TEXAS 79702

1. H
10.5.11

EXHIBIT "A"

Attached to and made part of the Assignment and Bill of Sale between Haveco Oil & Gas Properties, LLC, Cyclone Petroleum INC., HBF Limited Partnership, Concorde Resources Corporation, Ashton Gas Gathering, LLC, and Sundance Oil & Gas, LLC, and Newkumet Exploration, Inc with an effective date of September 1, 2011

The following Oil and Gas Leases situated in Cowley County Kansas, including all Operating Agreements, Gas Contracts, Gathering Agreements, Right of Way Agreements and other Contracts and Agreements relating to the Assigned Property. It is the intent herein to assign all of Assignors interest in the Oil and Gas Leases and properties described herein (reserving the Overriding Royalty shown on Exhibit B) whether described correctly or under described herein. Assignor agrees to fully cooperate with Assignor in any curative and correction or clarifications necessary to transfer title to Assignee.

✓ **SWAIM:** (Sundance #7)

Oil and gas lease dated July 18, 2002, from William P. Swaim, Trustee for the William P. Swaim Revocable Trust Agreement Dated November 1, 1991, Lessors, to Sundance Oil & Gas LLC, Lessee, covering the Southeast Quarter of Section 7, Township 35 South, Range 3 East, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 654 at Page 521.

✓ **COLLINSON:** (Sundance # 9)

Oil and gas lease dated April 23, 2001, from Stephen A Collinson, a single man; Lessors, to Sundance Oil & Gas LLC, Lessee, covering the Lot three (3) and lot four (4) of SEC 6, T35S-R3E, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 615 at Page 380.

Oil and gas lease dated April 23, 2001, from Craig B. Collinson, and Kate Collinson, his wife, Lessors, to Sundance Oil & Gas LLC, Lessee, covering the Lot three (3) and lot four (4) of SEC 6, T35S-R3E, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 619 at Page 529.

✓ **TAUSCHER:**

Oil and gas lease dated November 8, 2005, from Ernest J. Tauscher and Beverly J. Tauscher, husband and wife, Lessors, to Lars Larson and Jack Alsip, Lessee, covering the East 53.3 acres of the Southwest Quarter (E. 53.3ac of SW/4) of Section 34, Township 34 South, Range 3 East, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 412 at Page 155.

✓ **REYNOLDS:**

Oil and gas lease dated October 4, 1983, from Ernestine Reynolds and Robert A Reynolds, her husband, Lessors, to Billingsley & Associates, Inc., Lessee, covering the land situated in the east 53 1/3 acres of the west half of the Southwest quarter (E 53 1/3 acres of W/2 SW/4) of Section 34 and the west 26 2/3 acres of the East Half of the Southwest Quarter (W 26 2/3 acres of E/2 SW/4) of Section 34, both located in Township 34 South, Range 3 East of the 6th P.M. Cowley County, Kansas. and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 244 at Page 588.

✓ **GRAINLAND:**

Oil and gas lease dated March 20, 1989, from Grainland Farms, Inc, Lessors, to Hamp Oil Company, Lessee, covering land situated in the west 26 2/3 acres of the (SW/4) Southwest quarter of Section 34 and the (S/2) South half of the (SE/4) Southeast Quarter of Section 33, both located in Township 34 South, Range 3 East of the 6th P.M. Cowley County, Kansas which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 416 at Page 097.

BERRY SWD:

Oil and gas lease dated August 31, 2005, from Elizabeth Sue Berry and James R. Berry, her husband, Lessors, to Haveco Oil & Gas Properties, LLC., Lessee, covering The north half of the north half of the northwest quarter of section 4, Township 35 South Range 3 East of the 6th P.M. less the following described tract: beginning at a No. 4 Rebar which marks the NW corner of the NW/4 of said Sec. 4; thence N 90 deg. E along the N line of said NW ¼ (on an assumed bearing) a distance of 1,150 feet to a No. 4 Rebar and a point of beginning of the herein described tract of land; thence continuing N 90 deg. E along the N line of said NW ¼ a distance of 374 feet to a No. 4 Rebar; thence S 0 deg. E a dist of 814 feet to a No. 4 Rebar; thence S 90 deg. W a distance of 374 feet to a No.4 Rebar; thence N 0 deg. E a distance of 814 feet to point of beginning; this exception being subject to rights of way appurtenant, sewer line lateral, salt water disposal lease and easement and lease and right of way for compressor station of record, all located in Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 752 at Page 834

✓ J.D. BAIRD:

Oil and gas lease dated November 8, 2005, from John Richard Baird and Kay S. Baird, husband and wife, Lessors, to Drake Exploration, L.L.C., Lessee, covering the Southeast Quarter of Section 29; Township 34 South, Range 3 East, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 758 at Page 755.

✓ GILBERT:

Oil and gas lease dated August 13, 1975, from Ernest E. Gilbert and Ramona A. Gilbert, his wife, Lessors, to Richard d. Smith, Lessee, covering Lot Two (2) and Lot Three (3) and the Southwest Quarter of the Northeast Quarter of Section 3, Township 34 South, Range 3 East, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 200 at Page 572.

✓ PETERS/BRUCE:

Oil and gas lease dated January 8, 2009, from Mark A. Bruce and Jeri L. Bruce, husband and wife, Lessors, to Drake Exploration, L.L.C., Lessee, covering the Northwest Quarter of Section 29, Township 34 South, Range 3 East, Cowley County, Kansas, containing 155 acres, more or less in Cowley County, Kansas. LESS AND EXCEPT THE FOLLOWING DESCRIBED (3) TRACTS: (1) Beginning at a point 1,525 feet South of the Northwest corner of the Northwest Quarter of Section 29, Township 34 South, Range 3 East, thence East parallel with the North line of said Quarter Section, 230.16 feet, thence South parallel with the West line of said Quarter Section, 378.52 feet, thence West parallel with the North line of said Quarter Section 230.16 feet, thence North along the west line of said Quarter Section 378.52 feet to point of beginning; (2) Beginning 1,525 feet South and 230.16 feet East of the Northwest corner of the Northwest Quarter of Section 29, Township 34 South, Range 3 East of the 6th P.M., Cowley County, Kansas; thence East parallel with the North line of said Northwest Quarter for a distance of 230.16 feet, thence South parallel with the West line of said Northwest Quarter for a distance of 378.52 feet, thence West parallel with the North line of said Northwest Quarter for a distance of 230.16 feet, thence North parallel with the West line of said Northwest Quarter for a distance of 378.52 feet to the point of beginning. (3) A tract of land in the Northwest Quarter of Section 29, Township 34 South, Range 3 East of the 6th P.M., point of beginning being on the North line of said Quarter Section and 160.6 feet West of the Northeast corner of said Quarter Section, thence West along the North line of said Quarter Section, 208.71 feet, thence South at a 90° angle to the North line a distance of 208.71 feet, thence East parallel with the North line of said Quarter Section 208.71 feet; thence North 208.71 feet to the point of beginning, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 827 at Page 695.

✓ Swaim ROW:

Right of Way Grant dated March 21, 2005 from William Swaim to Haveco Oil & Gas Properties, LLC, covering the SE/4 Section 7, in Township 35 South, Range 3 East, Cowley County, Kansas and which was recorded in the Office of the Register of Deeds of Cowley County, Kansas in Book 738 at Page 273

F:\A-docs\ASSIGNMENTS\Exhibit A to Newkumet Cowley County.DOC

✓Ashton Gathering lines (SRAM Oil)

The pipeline consists of approximately one mile of two inch poly line commencing at a point approximately one-quarter of a mile south of the northeast corner of section 7-T35S-R3E, Cowley County, Kansas (at a point where SRAM Oil, Inc.'s master meter and separator were located) and extends, buried approximately three feet deep, along the east side of said section 7, south to a point approximately one-eighth of a mile north of the southeast corner of said section 7, thence west approximately one-quarter of a mile to the gas well located in approximately the S/2 SE/4 of said section 7, T35S, R3E, Cowley County, Kansas

F:\A-docs\ASSIGNMENTS\Exhibit A to Newkumet Cowley County.DOC

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10.5.11

EXHIBIT "A"

Bill of Sale

Attached to and made part of the Assignment and Bill of Sale between Haveco Oil & Gas Properties, LLC, Cyclone Petroleum INC., HBF Limited Partnership, Concorde Resources Corporation, Ashton Gas Gathering, LLC, and Sundance Oil & Gas, LLC, and Newkumet Exploration, Inc with an effective date of September 1, 2011

All equipment and fixtures located on leases listed on this Exhibit "A" as of September, 1, 2011

And the following equipment located at the Ark City Plant site in the SE/4 of Section 12 T35S R2E in Sumner County Kansas.

Ark City Plant Equipment List:

- 1-Product Storage Tank , 300 BBL, 30PSIG W.P.
- 1-Product Stabilizer, 6" ID x 20", Wp=400#, PROCESS EQ. CORP., PLT 1188
- 1-Product Stabilizer Reboiler, 12"x 6, WP=400#, PROCESS EQ. CORP., PLT 1188
- 1-Glycol Reboiler, 250 MBTU/HR, 9"x18", PROCESS EQ. CORP., PLT 1188
- 1-3-Phase Separator, 16"x7"6", WP=600, PROCESS EQ. CORP., PLT 1188
- 1-Gas/Gas Exch., 600# W.P., PROCESS EQ. CORP., PLT 1188
- 1-Gas Chiller, 600# W.P., PROCESS EQ. CORP., PLT 1188
- 1-Aerocooler/C3 Condenser
- 1-Refrigeration Compressor-Carrier 5HC60 w/30HP Electric Motor

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BOOK 0886 PAGE 0643

BOOK 858 PAGE 0234

Exhibit "B"

Overriding Royalty Schedule

LEASE/NAME	LEGAL DESCRIPTION	COUNTY	Lease NRI	Haver ORRI
Thomas	NE/4 SEC 19 T34S R2E	sumner	80.00000%	7.500000%
McLaughlin	SE/4 SEC 19 T34S R2E	sumner	80.00000%	7.500000%
Wolf 2 & 5	40 ACRES OF THE NW/4 SEC 29 T34S R2E	sumner	78.96481%	
Wolf B 4	NW/4 SEC 29 T34S R2E 60 ACRES OF THE NW/4 SEC 29 T34S R2E	sumner	77.40000%	0.781300%
Work, # 4-29	SE/4 SEC 29 T34S R2E	sumner	78.90000%	
Helen Works	SW/4 SEC 29 T34S R2E	sumner	78.90000%	
Haslouer - Lesperance Unit	NW/4 SEC 32 T34S R2E & NE/4 SEC 31 T34S R2E	sumner	80.00000%	3.040610%
Chapman	NW/4 SEC 28 T34S R2E	sumner	80.00000%	7.500000%
(Lawson) Anderson Woods Anderson Woods	N/2 Sec 11 T35S R2E		80.00000% 80.00000% 80.00000%	3.333330% 3.333330% 3.333330%
(Lawson) Homestead	N/2 Sec 2 T35S R2E	sumner sumner	75.00000%	3.333300%
(Lawson) Dean	NW/4 & N/2 of SW/4, Sec 12 T35S R2E and SW/4 of SE/4 & N/2 SE/4 16, T35S, R2E	sumner	80.00000% 80.00000%	3.333330% 3.333330%
Barton	SE Sec 1 T35S R2E	sumner	80.00000%	
Strother Field	SE Sec 36 T34S R2E	sumner	80.00000%	2.375000%
Strother Field	NW Sec 36 T34S R2E	sumner	80.00000%	2.375000%
Swain	SE Sec 7 T35S R 3E	cowley	80.00000%	3.260000%
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Stalnaker	SW Sec 11 T35S R2E	sumner	80.00000%	1.250000%
Rindt	SE Sec 2 T35S R2E	sumner	80.00000%	7.500000%
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Reynolds	W/2 SW4 SEC 34 T34S R3	cowley	75.00000%	5.000000%
Grainland	W/2 SW4 SEC 34 T34S R3	cowley	75.00000%	6.250000%
Berry	N/2 N/2NW SEC 4 T35S R2	cowley		
Bail	SE Sec 12 T35S R2E	cowley	100.00000%	
Metzinger McCorga	SW SEC 26 T34S R2E	sumner	80.00000%	0.499813%
Adkins	SE/4 SEC 20 T34S R2E	sumner	73.00000%	
Lawson	NE 16, T35S, R2E	sumner	80.00000%	3.333300%
Selterstrom	N/2 NW/4 sec 3 T35S R2E	sumner	80.00000%	6.788955%
Rosecrantz	W/2 SE Sec 17 T35, R2	sumner	80.90000%	
JD Baird	SE SEC 29 T34S R3E	cowley	75.00000%	4.000000%
Bruce (Peters)	NW SEC 29 T34S R3E	cowley	75.00000%	3.125000%
Gilbert	SW NE SEC 3 T34S R3E	cowley	80.00000%	4.765830%
Forbeck	E/2 SW SEC 15 T35S R2E	Sumner	80.00000%	6.797000%


State of Kansas, Sumner County SS:
 Filed for record on the 26th Day of
October 2011 A.D. at 8:00
 o'clock PM. Made record in photo
 Book 858 at page 216
 fees \$ 80.00
Joyce A. Love
 Joyce A. Love Register of Deeds

BOOK 0886 PAGE 0643

BOOK 858 PAGE 0234

KCC OIL/GAS REGULATORY OFFICES

Date: 05/29/25

District: 02 

Case #: _____

☐ New Situation

☐ Lease Inspection

☐ Response to Request

☐ Complaint

☐ Follow-Up

☒ Field Report

Operator License No: _____

API Well Number: 15-035-23624-00-00

Op Name: _____

Spot: SW SE NW SE Sec 7 Twp 35 S Rng 3 ☒ E / ☐ W

Address 1: _____

1330 Feet from ☐ N / ☒ S Line of Section

Address 2: _____

1670 Feet from ☒ E / ☐ W Line of Section

City: _____

GPS: Lat: _____ Long: _____ Date: _____

State: _____ Zip Code: _____ -

Lease Name: SWAIM Well #: 1

Operator Phone #: _____

County: Cowley

Reason for Investigation:

FOLLOW UP TA CHECK

Problem:

ABANDONED WELL

Persons Contacted:

Findings:

SWAIM #1 / GAS WELL, WELL IS OFF / 15-035-23624-00-00 / NO CHANGE, NO ACTIVITY, NO LEASE ROADS. THERE IS WHEAT PLANTED IN THE SOUTHEAST QUARTER AND WITH ALL THE RAIN AND NO LEASE ROADS COULD NOT DRIVE TO WELL. VIEWED FROM TOWNSHIP ROAD. NEVER SAW A GAS METER RUN OR TANK BATTERY IN THAT SOUTHEAST QUARTER.

Action/Recommendations:

Follow Up Required ☒ Yes ☐ No 

Date: _____

Verification Sources:

Photos Taken: YES



RBDMS



KGS



TA Program



T-I Database



District Files



Courthouse



Other: LEASE INSPECTION

By: DUANE KRUEGER

Retain 1 Copy District Office
Send 1 Copy to Conservation Division


Form: 05/29/2025

Exhibit JK-9

Page 1 of 4

KCC OIL/GAS REGULATORY OFFICES

Date: 05/29/25

District: 02 

Case #: _____

☐ New Situation

☐ Lease Inspection

☐ Response to Request

☐ Complaint

☐ Follow-Up

☒ Field Report

Operator License No: _____

API Well Number: 15-035-23712-00-00

Op Name: _____

Spot: SE NW NE SE Sec 7 Twp 35 S Rng 3 ☒ E / ☐ W

Address 1: _____

1984 Feet from ☐ N / ☒ S Line of Section

Address 2: _____

687 Feet from ☒ E / ☐ W Line of Section

City: _____

GPS: Lat: _____ Long: _____ Date: _____

State: _____ Zip Code: _____ -

Lease Name: SWAIM B Well #: 1

Operator Phone #: _____

County: Cowley

Reason for Investigation:

FOLLOW UP TA CHECK

Problem:

ABANDONED WELL

Persons Contacted:

Findings:

SWAIM #B1 / GAS WELL, WELL IS OFF / 15-035-23712-00-00 / NO CHANGE, NO ACTIVITY, NO LEASE ROADS. THERE IS WHEAT PLANTED IN THE SOUTHEAST QUARTER AND WITH ALL THE RAIN AND NO LEASE ROADS COULD NOT DRIVE TO WELL. VIEWED FROM TOWNSHIP ROAD. NEVER SAW A GAS METER RUN OR TANK BATTERY IN THAT SOUTHEAST QUARTER.

Action/Recommendations:

Follow Up Required ☒ Yes ☐ No 

Date: _____

Verification Sources:

Photos Taken: YES



RBDMS



KGS



TA Program



T-I Database



District Files



Courthouse



Other: LEASE INSPECTION

By: DUANE KRUEGER

Retain 1 Copy District Office

Send 1 Copy to Conservation Division

Form: 05/29/2025

Exhibit JK-9

Page 2 of 4



SWAIM 1, SE/4 SEC. 7-35-3E
COWLEY CO., KS
NO LEASE ROAD TO THE WELL, AND
LOCATED OUT IN A WHEAT FIELD.
DATE: 5-29-2025 DUANE KRUEGER



SWAIM 1B, SE/4 SEC. 7-35-3E
COWLEY CO., KS
NO LEASE ROAD TO THE WELL, AND
LOCATED OUT IN A WHEAT FIELD.
DATE: 5-29-2025 DUANE KRUEGER

CERTIFICATE OF SERVICE

25-CONS-3139-CSHO

I, the undersigned, certify that a true and correct copy of the attached Testimony has been served to the following by means of electronic service on June 9, 2025.

DANIEL FOX, COMPLIANCE OFFICER, KCC DISTRICT 2
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 2
3450 N. ROCK RD BLDG 600 STE 601
WICHITA, KS 67226
dan.fox@ks.gov

Andrew S. Hartman, ATTORNEY
Hartman Law Office
6520 South Lewis Ave Ste 15
Tulsa, OK 74136
andrew@andrewshartman.com

JEFF KLOCK
KANSAS CORPORATION COMMISSION
DISTRICT OFFICE NO. 2
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WICHITA, KS 67226
jeff.klock@ks.gov

KELCEY MARSH, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
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WICHITA, KS 67202-1513
kelcey.marsh@ks.gov

JONATHAN R. MYERS, ASSISTANT GENERAL COUNSEL
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
jon.myers@ks.gov

MARTIN J PECK, ATTORNEY
LAW OFFICE OF MARTIN J. PECK
PO BOX 236
WELLINGTON, KS 67152-0236
peck@martinjpeck.com

/s/ Paula J. Murray
Paula J. Murray