

#### Kansas Corporation Commission Oil & Gas Conservation Division

Form T-1 July 2014 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:  | nitted with this form.   |  |  |
|--|--|--|--|
| Oil Lease: No. of Oil Wells**  | Effective Date of Transfer:  KS Dept of Revenue Lease No.:                               |  |  |
| Gas Lease: No. of Gas Wells**  |  |  |  |
| Gas Gathering System:  | Lease Name:  |  |  |
| Saltwater Disposal Well - Permit No.:                                      |  |  |  |
| Spot Location: feet from N / S Line feet from E / W Line                   | SecTwpREW  Legal Description of Lease:  County:  Production Zone(s):  Injection Zone(s): |  |  |
| Enhanced Recovery Project Permit No.:                                      |  |  |  |
| Entire Project: Yes No   |  |  |  |
| Number of Injection Wells **   |  |  |  |
| Field Name:  |  |  |  |
| ** Side Two Must Be Completed.   |  |  |  |
| ciae ino maet de completeur  |  |  |  |
| Surface Pit Permit No.:  | feet from N / S Line of Section  |  |  |
| (API No. if Drill Pit, WO or Haul)   | feet from E / W Line of Section  |  |  |
| Type of Pit: Emergency Burn Settling                                       | Haul-Off Workover Drilling   |  |  |
|  |  |  |  |
| Past Operator's License No   | Contact Person:  |  |  |
| Past Operator's Name & Address:  | Phone:   |  |  |
|  | Date:  |  |  |
| Title:   | Signature:   |  |  |
|  | o.grado.   |  |  |
| New Operator's License No.   | Contact Person:  |  |  |
| '  |  |  |  |
| New Operator's Name & Address:   | Phone:   |  |  |
|  | Oil / Gas Purchaser:   |  |  |
|  | Date:  |  |  |
| Title:   | Signature:   |  |  |
|  |  |  |  |
| Acknowledgment of Transfer: The above request for transfer of injection    | n authorization, surface pit permit # has beer   |  |  |
| noted, approved and duly recorded in the records of the Kansas Corporation | n Commission. This acknowledgment of transfer pertains to Kansas Corporation             |  |  |
| Commission records only and does not convey any ownership interest in the  | e above injection well(s) or pit permit.   |  |  |
|  |  |  |  |
| is acknowledged as   | is acknowledged as   |  |  |
| the new operator and may continue to inject fluids as authorized by        | the new operator of the above named lease containing the surface pi                      |  |  |
| Permit No.:  | permitted by No.:  |  |  |
| . Hoommonded action.   | politimos by No.   |  |  |
| Date:  | Date:  |  |  |
| Authorized Signature   | Authorized Signature   |  |  |
| DISTRICT EPR   | PRODUCTION UIC   |  |  |
|  |  |  |  |





#### Must Be Filed For All Wells

| KDOR Lease No.: |                              |   |                   |                                   |                                      |
|-----------------|------------------------------|---|-------------------|-----------------------------------|--------------------------------------|
| Lease Name:     |                              |   | * Location:       |                                   |                                      |
| Well No.        | API No.<br>(YR DRLD/PRE '67) | Footage from Section Line (i.e. FSL = Feet from South Line) |                   | Type of Well<br>(Oil/Gas/INJ/WSW) | Well Status<br>(PROD/TA'D/Abandoned) |
|                 |                              | CircleFSL/FNL   | Circle<br>FEL/FWL |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   | _                                    |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   | _                                    |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   | - ·                                  |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              |   |                   |                                   |                                      |
|                 |                              |   |                   |                                   |                                      |
|                 |                              |   |                   |                                   |                                      |
|                 |                              |   |                   |                                   |                                      |
|                 |                              |   |                   |                                   |                                      |
|                 |                              |   |                   |                                   |                                      |
|                 |                              |   |                   |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   | _                                    |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   | _                                    |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   | -                                    |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |
|                 |                              | FSL/FNL   | FEL/FWL           |                                   |                                      |

A separate sheet may be attached if necessary

<sup>\*</sup> When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.



#### KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1358904

Form KSONA-1
July 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

### CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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 #   | Well Location:   |  |  |
| Name:   |  |  |  |
| Address 1:  | County:  |  |  |
| Address 2:  | Lease Name: Well #:  |  |  |
| City:   | If filing a Form T-1 for multiple wells on a lease, enter the legal description of   |  |  |
| Contact Person:   | the lease below:   |  |  |
| Phone: ( ) Fax: ( )   | _  |  |  |
| Email Address:  | _  |  |  |
| Surface Owner Information:  |  |  |  |
| Name:   |  |  |  |
| Address 1:  | 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  |  |  |
| Address 2:  | county, and in the real estate property tax records of the county treasurer.   |  |  |
| City: State: Zip:+  | _  |  |  |
| the KCC with a plat showing the predicted locations of lease roads, a   | thodic Protection Borehole Intent), you must supply the surface owners and tank batteries, pipelines, and electrical lines. The locations shown on the plat d on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. |  |  |
| <ul> <li>□ I certify that, pursuant to the Kansas Surface Owner Notice owner(s) of the land upon which the subject well is or will be CP-1 that I am filing in connection with this form; 2) if the form; and 3) my operator name, address, phone number, factoric land the surface owner(s).</li> <li>□ I have not provided this information to the surface owner(s). KCC will be required to send this information to the surface.</li> </ul> | I acknowledge that, because I have not provided this information, the e owner(s). To mitigate the additional cost of the KCC performing this ess of the surface owner by filling out the top section of this form and                    |  |  |
| If choosing the second option, submit payment of the \$30.00 handle form and the associated Form C-1, Form CB-1, Form T-1, or Form C  | ling fee with this form. If the fee is not received with this form, the KSONA-1<br>CP-1 will be returned.  |  |  |
| I hereby certify that the statements made herein are true and correct   |  |  |  |
| Date: Signature of Operator or Agent:   | Title:   |  |  |

# ASSIGNMENT OF WELLBORES AND BILL OF SALE

County of Finney State of Kansas

This Agreement is entered into this 36 day of June, 2017, by and between HIGH PLAINS PRODUCTION, LLC, (herein, "Seller") c/o Raptor Petroleum, PO Box 1548, Murray, Kentucky 42071 and PETROSANTANDER (USA) INC. (herein, "Buyer"), 6363 Woodway Drive, Ste. 350, Houston, TX day of June, 2017, by and between HIGH PLAINS

WHEREAS, Seller was heretofore the Lessee, owner and operator of that certain Oil and Gas Lease dated March 2, 2005, by and between Katherine M. Hart, Richard James Vogel and Lance Woodbury, as Trustees of the Finnup Foundation Trust, as Lessor and J. Fred Hambright, as lessee, recorded in Book 266, Page 559, of the records of Finney County and covering the following described lands: Township 23 South, Range 32 West of the 6th PM

Section 27: SW/4;

(herein, "the Expired Oil and Gas Lease");

AND WHEREAS, Seller drilled two wells ("Said Wells") on the leased premises of the Expired Oil and

Gas Lease, described as follows: FINNUP 'A' 1 API: 15-055-20455 Location: 810 FEET FSL AND 600 FEET FWL, Sec. 27-T23S-R32W FINNUP 'A' 2 API: 15-055-21882 Location: 360 FEET FSL AND 330 FEET FWL, Sec. 27-T23S-R32W; and

to plug and abandon Said Wells. Buyer has agreed to assume the responsibility, obligations and liabilities for the plugging and abandoning of said wells, in exchange for accepting and receiving this Assignment of Wellbores and Bill of Sale transferring title to Buyer all rights, titles and interest in and to Said Wells, appurtenances and facilities, surface and subsurface (herein collectively, the Lease Equipment) described in summary fashion on the attached Exhibit A and currently located on the lands described in the Expired WHEREAS the Expired Oil and Gas Lease terminated under its own terms and Seller is required thereby the wellbores thereof and any and all casing, tubing, rods, production facilities, flowlines, tanks, fixtures, Oil and Gas Lease. For a good and valuable consideration, the receipt and sufficiency of which is acknowledged by all parties hereto, Seller and Buyer agree as follows:

- the Lease Equipment. This sale is made without warranty, express or implied, as to condition, suitability for service or fitness for any purpose as to the Lease Equipment or Said Wells, including any purpose whatsoever of any kind. Buyer hereby acknowledges that it has been authorized to inspect Said Wells and 1. Seller hereby sells, conveys and delivers to Buyer, all right, title and interest in and to Said Wells, and Lease Equipment and accepts same in their present condition and location.
- file with the Kansas Corporation Commission (the "KCC") the forms and papers necessary to effectuate the transfer Operatorship of Said Wells from High Plains Production, LLC to PetroSantander (USA) Inc. 2. Seller and Buyer agree to cooperate in good faith to provide the information necessary to complete and and upon approval of such transfer by the KCC, Buyer shall thereafter assume responsibility to make any and all filings that may be required by law, rule or regulation imposed by any agency having jurisdiction. Buyer further agrees to conduct operations on Said Well in compliance with applicable regulations and to plug and abandon Said Wells as directed by the KCC and to bear any and all expenses and liabilities related thereto. Buyer further assumes and agrees to perform any surface restoration as may be required by the Expired Oil and Gas Lease, or by applicable regulation and to assume all liability and expense in connection therewith.

resulting from Buyer's operations to be conducted hereafter, including injury to person or damage to and to hold Seller harmless therefrom, including any reasonable attorney fees resulting 3. Buyer agrees to indemnify and hold harmless Seller, from and against any loss claim or damage, therefrom. property.

IN WITNESS WHEREOF, Seller and Buyer have executed and delivered this Agreement by their respective duly authorized officers and agree that all the terms, provisions and conditions contained herein shall be binding upon Seller and Buyer and their respective successors and assigns.

SELLER

HIGH PLAINS PRODUCTION, LLC

MUNICIPALITY By:

BUYER

SA) IN PETROSANTANDER

Vice President and General Manager

State of Kentucky, County of  $\frac{1}{CA}$ //log 204/ Before me, the undersigned Notary Public, in and for said state, on this  $\frac{20\%}{C}$  day of

2017,

known to be the identical person who subscribed his/her name to the foregoing instrument and who acknowledged to me that he/she executed the same as his/her free and voluntary act and deed, for and on behalf of High Plains Production, LLC, for the uses and purposes with self-tent. Witness my kand and official seal. of High Plains Production, LLC, to me MANAGES se . Derson personally appeared

My commission expires:

ID NO. 563186 NY COMMISSION EXPIRES

(Type or Print Name)

STA

Notary Public

NOTARY

47 LARGE

State of Kansas, County of Finney

Before me, the undersigned Notary Public, in Manager of PetroSantander (USA) Inc., to me personally appeared Pete Kuncyl, as Vice President and General Manager of PetroSantander (USA) Inc., to me known to be the identical person who subscribed his name to the foregoing instrument and who acknowledged to me that he executed the same as his free and voluntary act and deed, for and on behalf of PetroSantander (USA) Inc., for

the uses and purposes therein set forth. Witness my hand and official seal.

My commission expires:

122

DARLA A. SAUER NOTARY PUBLIC - State of Kas My Appt. Expires

Votary Public

(Type or Print Name)

# EEASE EQUIPMENT INVENTORY

The following items are listed specifically, however, it is the parties' intention that any and all equipment and/or facilities located on the Expired Oil and Gas Lease are included in the sale and transfer to Buyer

## Finnup A1 well

4'x20' Heater Treater
Two (2) 12'x15' 300 bbl. storage tanks
One (1) – 210 bbl. Fiberglass SW tank
Smako 160 Pumping Unit.
Approximately 4600' of 2.375" (2 and 3/8) tubing.
Approximately 4600' of 0.75" (3/4) rods
Casing in place

## Finnup A2 Well

American 40 Pumping Unit.
Approximately 2500' of 2.375" (2 and 3/8) tubing Approximately 2500' of 0.625" (5/8) rods
Casing in place

# PetroSantander (USA) Inc.

May 12, 2017

High Plains Production, LLC Murray, KY 42071 PO Box 1548

5/22/17

Attention:

Finnup "A" Lease - SW/4 Section 27-T23S-R32W

Finnup "A" #1 Temporarily Abandoned oil well – API No. 15-055-20455 Finnup "A" #2 Shut-in gas well – API No. 15-055-21882

Together with all related production equipment and facilities as described herein

All in Finney County, Kansas

## Gentlemen:

properties and equipment (including leasehold, working and/or overriding royalty interests, and any other interests in oil and gas associated therewith), as described on the attached Exhibit "A" (the "Assets"), in exchange for assuming operation of the above wells and accepting all plugging and abandonment costs and of the right, title and interest of High Plains Production, LLC and all other working interest and leasehold owners in the lands described above, if any (collectively herein, "Seller") in and to the oil and gas lease, PetroSantander (USA) Inc. ("Buyer") hereby offers to accept an Assignment and Bill of sale which includes all obligations related thereto ("Purchase Consideration"). The Effective Date of this proposed transaction shall be 7:00 a.m., June 1, 2017. Buyer's offer includes, without limitation, all interests owned by Seller in the equipment, facilities and associated flowlines and or gathering lines which are located on or used in connection with the Assets and all of Seller's interest in the production and sale of crude oil and/or natural gas and condensate from the Assets, together with all well records, files and other data in Seller's possession relating to the Assets.

## TERMS AND CONDITIONS:

This proposal is further subject to the following:

- T-1 and such other reasonable documentation as is acceptable to Buyer, containing all the material terms, 1. The execution of a definitive Assignment, Bill of Sale and Conveyance, KCC Change of Operator form agreements, representations, covenants, conditions and other provisions as the parties may require to enter into and consummate the transaction contemplated herein.
- A reasonable period of time, but no less than 2 weeks, following Seller's acceptance of this offer for Buyer to perform its customary due diligence, including verification of title; review and satisfaction with all contracts which affect Seller's interest in the Assets, including those pertaining to oil and gas sales, operations and development, as to the rights to be transferred to Buyer pursuant hereto.
- 3. This proposal assumes Seller's collective ownership is as listed on the attached Exhibit "A". Buyer and must be satisfied prior to being obligated in any way, that the Assets are not subject to any additional encumbrances, including without limitation, mortgages, deeds of trust, liens, overriding royalties, production payments, back-ins, non-consents, depth or formation restrictions (other than as expressly

PetroSantander (USA) Inc.

Houston, TX 77057

Tel: (713) 784-8700 Fax: (713) 780-9550

## PetroSantander (USA) Inc.

provided for herein), wellbore restrictions, or assignment restrictions which would limit or reduce Seller's ownership or the right to receive hydrocarbons or proceeds from the sale thereof attributable to the Assets.

copies of same (or counterparts thereof), evidencing Seller's agreement with and acceptance of the terms hereof, including 100% of the working interests. This proposal is an outline of certain terms and conditions which the parties intend to include in the definitive documents referred to in Paragraph 1 above, and is subject to the due diligence required by Buyer. Except for the limitations set forth in the following paragraph, neither party shall have any obligation or liability to the other party unless and until the aforesaid definitive documents are executed by authorized representatives of Buyer and Seller. If the foregoing is acceptable, please so indicate by signing both copies hereof in the space provided below and return one (1) copy to the attention of the undersigned. This proposal is valid and effective until May 31, at 4:00 p.m. CDT, upon which time it shall expire unless Seller has signed and delivered to Buyer, fully executed

Upon acceptance of this proposal and subject to Buyer's continuing good faith effort to complete the transaction as provided herein, Seller agrees not to (1) disclose the terms of this proposal to third parties, (2) solicit offers to purchase, or (3) enter into any other discussions to sell the interest described in this letter for a period of 90 days from Seller's written acceptance hereof, as an incentive for Buyer to commit the resources necessary to consummate this transaction. Buyer further represents that it's acceptance of this offer has been fully authorized and there are no legal impediments currently existing or asserted that would prevent Buyer from consumnating the transactions contemplated hereby.

If you have any questions regarding this offer, please contact the undersigned (713) 784-0206, extension 121. Very truly yours,

PetroSantander (USA) Inc.

100

William F. Aspinwall

Land Manager

2017. AGREED TO AND ACCEPTED THIS 16 The DAY OF

HIGH PLAINS PRODUCTION, LLC

# PetroSantander (USA) Inc.

## EXHIBIT "A"

Attached to and made a part of Offer Letter dated May 12, 2017, by and between High Plains Production, LLC and PetroSantander (USA) Inc.

Seller shall sell, assign and convey all of Seller's right, title and interest to Purchaser in and to the following, including all equipment and facilities currently on the lease:

Book 266, Page 559, records of Finney County, Kansas, by and between the Finnup Foundation Trust, Lessor and J. Fred Hambright, Lessee which lease covers the Southwest Quarter (SW%) of Section 27, Township 23 South, Range 32 West of the 6<sup>th</sup> P.M. (SW%), containing 160 acres, more or less. Finnup "A" Lease: That certain Oil and Gas Lease dated March 2, 2005 recorded in

PetroSantander (USA) Inc.

Houston, TX 77057

Tel: (713) 784-8700 Fux: (713) 780-9550