



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 \_\_\_\_\_ \*\*
- 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: \_\_\_\_\_

KS Dept of Revenue Lease No.: \_\_\_\_\_

Lease Name: \_\_\_\_\_

\_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ R.  E  W

Legal Description of Lease: \_\_\_\_\_

County: \_\_\_\_\_

Production Zone(s): \_\_\_\_\_

Injection Zone(s): \_\_\_\_\_

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

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Type of Pit:  Emergency  Burn  Settling  Haul-Off  Workover  Drilling

Past Operator's License No. \_\_\_\_\_

Contact Person: \_\_\_\_\_

Past Operator's Name & Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

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 authorization, surface pit permit # \_\_\_\_\_ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

\_\_\_\_\_ is acknowledged as

the new operator and may continue to inject fluids as authorized by

Permit No.: \_\_\_\_\_ . Recommended action: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Signature

\_\_\_\_\_ is acknowledged as

the new operator of the above named lease containing the surface pit

permitted by No.: \_\_\_\_\_ .

Date: \_\_\_\_\_

Authorized Signature

DISTRICT \_\_\_\_\_ EPR \_\_\_\_\_ PRODUCTION \_\_\_\_\_ UIC \_\_\_\_\_





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### 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 # \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: ( \_\_\_\_\_ ) \_\_\_\_\_ Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
\_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ Sec. \_\_\_\_ Twp. \_\_\_\_ S. R. \_\_\_\_  East  West  
County: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_

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

**Surface Owner Information:**

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_

*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 must provide the name and address of the surface owner by filling out the top section of this form and 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: \_\_\_\_\_ Signature of Operator or Agent: \_\_\_\_\_ Title: \_\_\_\_\_

**Daystar Petroleum, Inc.**  
**PO Box 560**  
**522 North Main Street**  
**Eureka, Kansas 67045**  
**620-583-5527**

Effective Date: January 1, 2017

OPERATING AGREEMENT

THIS AGREEMENT is made and entered into the date stated above, by and between the undersigned parties, (designated as "owner" and hereinafter called "Owner"), and Daystar Petroleum, Inc., a Kansas corporation, 522 North Main Street, Eureka, Kansas 67045, (hereinafter called "Daystar").

WHEREAS, Owner (whether one or more) is the Owner of the working interest in the oil and gas leases in Allen and Neosho Counties (whether one or more), hereinafter referred to as "Leases", which are described on Exhibit "A", attached hereto and made a part hereof by reference, and the parties have agreed that Daystar will operate the Leases on the basis provided herein.

NOW, THEREFORE, it is mutually agreed as follows:

1. Daystar agrees to operate the Leases on a day to day basis, including such additional Leases as the parties may from time to time endorse on Exhibit "A", including non-producing Leases on which a test oil and gas well is to be drilled. The Leases shall be operated under the name of Daystar Petroleum, Inc. Daystar agrees to use its best efforts in the operation of the Leases and to operate the Leases in a prudent manner and in accordance with prevailing practices in the area where the Leases are located.
2. Daystar shall control and manage the operation of the Leases, with the power to contract for work and services, to purchase and sell leasehold equipment, to contract for such work, services and equipment deemed necessary or advisable by Daystar, to make claims against third parties, including contesting leasehold taxes, in the name of Daystar or Owner, as Daystar or Owner arising out of the operation of the Leases, all without the express consent of Owner. Daystar shall not incur an unusual or extraordinary expense in excess of Five Thousand Dollars (\$5,000.00) without consent of the Owners of the majority interest in the lease.
3. With regard to the drilling of a test well on a non-producing Lease or of a development well on a producing Lease, Daystar shall have full and complete charge of making arrangements for drilling the well, supervising the drilling operation and completing the well. The decision as to whether or not to drill a well and whether or not to attempt completion of a well shall be made by Daystar after consultation with Owner.
4. Daystar shall have the sole and exclusive right to select all persons and companies with which it contracts in connection with the operation of the Leases, including, but not limited to, the selection

of geologists, engineers, drilling companies, chemical companies, service companies and supply companies.

5. All invoices for work, services and equipment performed or purchased for the Lease shall be billed to Daystar, approved and paid by Daystar and shall be billed to the Owner by Daystar at the end of each month as provided herein.
6. The cost of drilling and completing a well, or of a major re-working of an existing well, will be pre-paid by Owner prior to the work being commenced, at the option of Daystar. Daystar may elect to advance the said costs and bill Owner thereof in the same manner as other operating expenses.
7. For providing the services described in this agreement, Daystar shall be paid at the rates and on the basis set forth on Exhibit "B", attached hereto and made a part hereof by reference. Daystar will make rate adjustments according to the currently published COPAS rate adjustments, effective October 1 of each year.
8. Owner shall be provided a detailed billing statement at the end of each month for operating expenses incurred during the month and for Daystar's services as provided in Exhibit "B" and any expenses due shall be paid by the by Owner within 15 days of billing. Daystar will receive all revenue for crude oil from the crude purchaser and net it against any unpaid expenses each month prior to sending a billing statement with the balance being paid to Owner after all expenses are paid. Any unpaid bills shall earn interest at the rate of 18 percent per annum from the payment due date until paid. Daystar is given and granted a lien against the Owner's interest in the oil and gas leasehold, which interest expressly includes all surface and downhole equipment, and the proceeds from production from the Leases, for which said services were performed and bills incurred for the amount thereof, with Daystar having the right to cause the oil and gas production proceeds from the Owner's interest in the Lease to be held in suspense until Daystar is paid in full.
9. If there is more than one Owner of the Leases, the liability of each Owner to Daystar shall be in proportion to each Owner's working interest in each Lease. The rights and liabilities of the Owners are several and not joint or collective.
10. Daystar agrees to provide property and public liability insurance covering the Leases and Daystar's operations, with Owner as an additional insured under the policy or policies. Daystar shall also provide workers' compensation insurance covering Daystar's employees. The proportionate cost of such insurance attributable to the Leases shall be charged to Owner as part of the leasehold operating cost.
11. Daystar agrees to abide by and comply with state and federal laws and regulations in the operation of the Leases.
12. Owner will provide a Twenty Thousand Dollar (\$20,000.00) plugging bond payable to Daystar to offset the risk of plugging the wells in exchange for Daystar accepting the wells on Daystar's Operator Well Inventory at the Kansas Corporation Commission.
13. Owner will fund and retain a Ten Thousand Dollar (\$10,000.00) plugging bond payable to Daystar and/or the land owner for the Neely Lease.
14. The relationship of Daystar to Owner shall be that of an independent contractor.

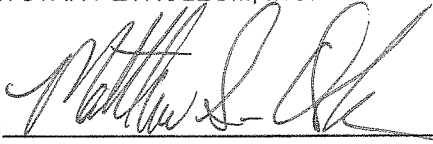
15. This Agreement shall be governed by the laws of Kansas.
16. The decisions of Daystar with respect to the operations of the Leases shall be final. If this Agreement is silent as to any matter which may arise in connection with the operation and management of the said Lease, then the actions of Daystar shall be governed by the prevailing practices in the area where the Lease is located.
17. Owner shall have the right to inspect and copy all Lease records at Owner's expense at a reasonable time and after advance notice of the desire to inspect and copy is given Daystar.
18. This Agreement shall remain in full force and effect until amended by the mutual agreement of the parties hereto, or terminated by either party hereto, upon not less than sixty (60) days' notice to the other party. In the event Owner gives notice of termination within two years from the effective date, Owner agrees to compensate Daystar for ninety (90) days of Administrative Overhead and Field Supervision services, as defined in Exhibit B, beyond the date of termination. If, for any reason, either party elects to terminate this agreement Owner shall have sixty (60) days to present a new operator to which the wells will be transferred to pursuant to Kansas Corporation Commission regulations.
19. Daystar may assign its operations under this Agreement to a subsidiary or related corporation, without the consent of Owner, but in the event Daystar intends to assign the right of operations to an unrelated corporation or third party, then the consent of Owner shall be required.

"Daystar"

"Owner"

DAYSTAR PETROLEUM, INC.

KanTex, LLC.

By:   
Matthew S. Osborn, President

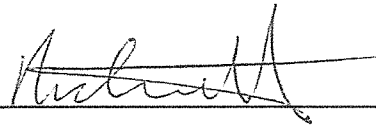
By:   
Name: Nicholas Schmitt  
Title: Manager

Exhibit "A" to Operating Agreement  
Dated November 1, 2016

|                      |    |               | <u>Description of Leases</u> |
|----------------------|----|---------------|------------------------------|
| Amoco Oil Lease      |    | 15-26S-18E    | Allen County, KS             |
| Amoco Pipeline Lease |    | 15-26S-18E    | Allen County, KS             |
| Cannon Lease         |    | 15-26S-18E    | Allen County, KS             |
| O. Nelson Lease      | SE | 13-26S-19E    | Allen County, KS             |
| Murphy Lease         |    | 13&24-26S-19E | Allen County, KS             |
| Dale Cox Lease       | SE | 25-28S-18E    | Neosho County, KS            |
| Glen Neely Lease     | SE | 30-28S-19E    | Neosho County, KS            |

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, **KanTex Energy, LLC**, (hereinafter called "Assignor"), for and in consideration of the sum of Ten and More Dollars (\$10.00 & More), the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, assign, convey, and deliver unto, **DB Energy, LLC**, (hereinafter called "Assignee"), all right title and interests in and to the described Oil and Gas leases (the "Leases"), all located in Allen County, Kansas, which said leases are described on Exhibit "A", attached hereto and made part thereof.

Together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

This Assignment is subject to its proportionate share of the burden of overriding royalty interest as appear of record. This Assignment is made without warranty of title, either express or implied. This Assignment of Oil and Gas Leases shall inure to the benefit of and be binding upon the parties hereto and their heirs, successors, and assigns.

Assignee agrees to indemnify the assignor and hold them harmless from all claims, demands, losses, costs, risk or expenses incident to or resulting from further operations on the lease assigned, for the drilling of additional wells, production of oil and gas, the abandonment and plugging of any well or wells thereon, or the removal of any materials therefrom, from and after the effective date of this assignment.

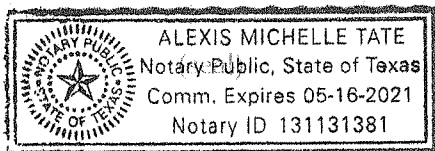
IN WITNESS WHEREOF, this Assignment is executed this 5<sup>th</sup> day of October, 2017, but shall be effective as of 12:01 a.m. the 1st day of October, 2017.

Nicholas Schmidt  
Nicholas Schmidt, Manger of  
KanTex Energy, LLC

COUNTY OF midland  
STATE OF Texas } ss

This instrument was acknowledged before me this 5<sup>m</sup> day of October, 2017, by Nicholas Schmidt, Manger of KanTex Energy, LLC.

My commission Expires: 05/16/21



Alexis M Tate  
Notary Public



EXHIBIT "A"

AMOCO OIL LEASE

LESSOR: AMOCO Oil Company  
LESSEE: Kenneth J. Wimsett and Timothy T. Thompson  
DATE: January 18, 1982  
RECORDED: Book M-104 Page 558, Register of Deeds, Allen County, Kansas  
COVERING: The NE/4 of the SW/4 and the NW/4 of the SE/4 of Section 15, Township 26 South, Range 18 East, less Atchison, Topeka and Santa Fe Railway Company right of way; and containing 77.50 acres more or less;  
  
The NE/4 of Section 15, Township 26 South, Range 18 East, save and except a tract of land heretofore conveyed to Stanolind Pipeline Company located in the Southwest Quarter of the Northeast Quarter of said Section 15, described as Beg. At a point 1,650 feet south of the northwest corner of the NE/4 of said Sec. 15; East 900 feet, South 600 feet; West 900 feet; North 600 feet to the point of beg. And containing 12.4 acres, more or less; less land taken for highway, Allen County, Kansas.

AMOCO PIPELINE LEASE

LESSOR: AMOCO Pipeline Company  
LESSEE: Kenneth J. Wimsett and Timothy T. Thompson  
DATE: January 18, 1982  
RECORDED: Book M-104, Page 566, Register of Deeds, Allen County, Kansas  
COVERING: That portion of the E/2 of NW/4 of Section 15, Township 26, Range 18, lying East of the right of way of the Atchison, Topeka, and Santa Fe Railroad, being 74 acres more or less, plus a parcel of land previously conveyed from Amoco Oil Co. to Stanolind Pipeline Co. located in said Sec. 15, described as Beg. At a point 1,650 feet South of the NW corner to the NE/4 of said Sec. 15; E 900 feet, S 600 feet, W 900 feet, N 600 feet to the point of beginning and containing 12.4 acres more or less, Allen County, Kansas.

MURPHY LEASE

LESSOR: Harlan U. Murphy and Marilyn Murphy, husband and wife  
LESSEE: Kenneth J. Wimsett and Michael J. Wimsett  
DATE: January 10, 1980  
RECORDED: Book M-96, Page 230, Register of Deeds, Allen County, Kansas  
COVERING: The East Half of the Southwest Quarter (E/2 SW/4) of Section 24, Township 26 South, Range 19 East, Allen County, Kansas  
  
LESSOR: Harlan U. Murphy and Marilyn Murphy, husband and wife  
LESSEE: Kenneth J. Wimsett and Michael J. Wimsett  
DATE: January 10, 1980  
RECORDED: Book M-96, Page 253, Register of Deeds, Allen County, Kansas  
COVERING: The Northeast Quarter (NE/4) of Section 24, Township 26 South, Range 19 East, Allen County, Kansas  
  
LESSOR: Harlan U. Murphy and Marilyn Murphy, husband and wife  
LESSEE: Kenneth J. Wimsett and Michael J. Wimsett  
DATE: January 2, 1980  
RECORDED: Book M-96, Page 214, Register of Deeds, Allen County, Kansas  
COVERING: The South Half of the Southwest Quarter (S/2 SW /4) of Section 13, Township 26, Range 19 East, Allen County, Kansas.

**EXHIBIT "A"**

**(Continued)**

LESSOR: Harlan U. Murphy and Marilyn Murphy, husband and wife  
LESSEE: Kenneth J. Wimsett and Michael J. Wimsett  
DATE: January 2, 1980  
RECORDED: Book M-96, Page 259, Register of Deeds, Allen County, Kansas  
COVERING: The Northwest Quarter (NW/4) of Section 24, Township 26, Range 19 East, Allen County, Kansas

**CANNON LEASE**

LESSOR: William H. Cannon and Merle I. Cannon, husband and wife  
LESSEE: Kenneth J. Wimsett or Carol A. Wimsett, Michael J. Wimsett, Timothy T. Thompson or Crystal L. Thompson  
DATE: June 9, 1980  
RECORDED: Book M-98, Page 111, Register of Deeds, Allen County, Kansas  
COVERING: The Southwest Quarter of the Northwest Quarter (SW/4 NW/4), the Northwest Quarter of the Southwest Quarter (NW/4 SW/4), and the North Half of the Southwest Quarter of the Southwest Quarter (N/2 SW/4 SW/4), all in Section 15, Township 26 South, Range 18 East, less railroad right of way, Allen County, Kansas.

LESSOR: William H. Cannon and Merle I. Cannon, husband and wife  
LESSEE: Kenneth J. Wimsett, Michael J. Wimsett, Timothy T. Thompson  
DATE: October 5, 1979  
RECORDED: Book M-95, Page 521, Register of Deeds, Allen County, Kansas  
COVERING: All that part of the NE/4 of the NW/4 of Section 15, Township 26 South, Range 18 East that lies west of the A.T.& S.F. Railroad, being 3/4 of an acre more or less; also, that part of the NW/4 of the NW/4 of said section bounded as follows: Commencing at a point 7 chains east of the Southwest corner of the said NW /4 of NW /4, thence North I 1.42 chains, more or less along the east side of the tract formerly deeded by Joseph J. Saas and wife to Edward J. Wittich and Pearl Wittich, his wife to the southeast line of the public highway, thence in a northeasterly direction on the southeast line of said public highway to the north line of the said NW/4 of NW/4, thence east along the north line of said NW/4 of NW/4 to the Northeast corner thereof; thence South along the said East line thereof to the Southeast corner thereof, thence West along the South line to the place of beginning, containing in all 23 acres, more or less, subject to rights of way and easements of record.

**OREN NELSON LEASE**

LESSOR: Oren M. Nelson  
LESSEE: Kenneth J. Wimsett and/or Carol A. Wimsett and/or Michael J. Wimsett  
DATE: December 7, 1981  
RECORDED: Book M-103, Page 473, Register of Deeds, Allen County, Kansas  
COVERING: The Southeast Quarter (SE/4) of Section 13, Township 26, Range 19, Allen County, Kansas.

**END OF EXHIBIT "A"**