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:	ttea with this form.		
Oil Lease: No. of Oil Wells**	Effective Date of Transfer:		
Gas Lease: No. of Gas Wells**	KS Dept of Revenue Lease No.:		
Gas Gathering System:	Lease Name:		
Saltwater Disposal Well - Permit No.:			
Spot Location: feet from N / S Line feet from E / W Line	SecTwp R E W Legal Description of Lease:		
Enhanced Recovery Project Permit No.:			
Entire Project: Yes No	County:		
Number of Injection Wells**			
Field Name:	Production Zone(s):		
** Side Two Must Be Completed.	Injection Zone(s):		
Surface Pit Permit No.:	feet from N / S Line of Section feet from E / W Line of Section Haul-Off Workover Drilling		
Past Operator's License No	Contact Person:		
Past Operator's Name & Address:			
i asi Operator s marrie a Address.	Phone:		
	Date:		
Title:	Signature:		
New Operator's License No.	Contact Person:		
New Operator's Name & Address:	Phone:		
	Oil / Gas Purchaser:		
	Date:		
Title	Signature:		
Title:	Signature.		
Acknowledgment of Transfer: The above request for transfer of injection noted, approved and duly recorded in the records of the Kansas Corporation Commission records only and does not convey any ownership interest in the	Commission. This acknowledgment of transfer pertains to Kansas Corporation		
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 pil		
Permit No.: Recommended action:	permitted by No.:		
Date:	Date:		
Authorized Signature	Authorized Signature		
DISTRICT EPR	PRODUCTION UIC		

Side Two

Must Be Filed For All Wells

* Lease Name: .			* Location:		
Well No.	API No. (YR DRLD/PRE '67)	Footage from Secti (i.e. FSL = Feet from S	on Line	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		Circle FSL/FNL	<i>Circle</i> FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
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		FSL/FNL	FEL/FWL		
		FSL/FNL	FEL/FWL		
			FEL/FWL		
		FSL/FNL	FEL/FWL		

A separate sheet may be attached if necessary

^{*} 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.

Side Two

Must Be Filed For All Wells

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

A separate sheet may be attached if necessary

^{*} 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

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) CI	B-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R 🗌 East 🗌 West
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip: +	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:+	_
are preliminary non-binding estimates. The locations may be entered. Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notion owner(s) of the land upon which the subject well is or will	tank batteries, pipelines, and electrical lines. The locations shown on the plated on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. The locations shown on the plated on the Form C-1 plat, or a separate plat may be submitted. The locations shown on the plated on the Form C-1 plat, or a separate plat may be submitted. The locations shown on the plated on the Form C-1 plat, or a separate plat may be submitted. The locations shown on the plated on the Form C-1 plat, or a separate plat may be submitted.
CP-1 that I am filing in connection with this form; 2) if the form; and 3) my operator name, address, phone number, for	orm being filed is a Form C-1 or Form CB-1, the plat(s) required by this ax, and email address.
KCC will be required to send this information to the surface). I acknowledge that, because I have not provided this information, the se owner(s). To mitigate the additional cost of the KCC performing this dress of the surface owner by filling out the top section of this form and the KCC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 hand form and the associated Form C-1, Form CB-1, Form T-1, or Form	dling fee with this form. If the fee is not received with this form, the KSONA-1 CP-1 will be returned.
I hereby certify that the statements made herein are true and corre	ect to the best of my knowledge and belief.
Date: Signature of Operator or Agent:	Title:

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 5th day of October, 2017, but shall be effective as of 12:01 a.m. the 1st day of October, 2017.

Nicholas Schmidt, Manger of KanTex Energy, LLC

COUNTY OF MIDIAND ss

This instrument was acknowledged before me this 5th day of ()(+0)0((

My commission Expires: 05 16 21

ALEXIS MICHELLE TATE
Notáry: Public, State of Texas
Comm. Expires 05-16-2021
Notary ID 131131381

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.

ASSIGNMENT OF OVER-RIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, **Stagg Investment Group**, **Inc..**, hereinafter called "Assignor", (whether one or more) 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**, any over-riding royalty interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described land situated in 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

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.

During the term of the present valid and subsisting oil and gas lease thereon, free and clear of any and all expenses of any nature whatsoever, except State and Federal Taxes.

TO HAVE AND TO HOLD The above described property and easement with all and singular the right, privileges, and appurtenances thereunto or in any wise belong to the said Assignee herein Stagg Investment Group, Inc. heirs, successors, personal representatives, administrators, executors, and assigns forever.

Executed this _____day of ______day of _______20_17however to be effective the 1st day of October, 2017.

Gary M. Glasscock, President of Stagg Investment Group, Inc.

COUNTY OF MIDIAN STATE OF TEXAS

This instrument was acknowledged before me this ______ day of ______ 20 \mathrm{\gamma}___ by Gary M. Glasscock, President Stagg Investment Group, Inc..

My commission Expires:

ALEXIS MICHELLE TATE
Notary Public, State of Texas
Comm. Expires 05-16-2021
Notary ID 131131381

Notary Public

OIL AND GAS LEASE

Commence AGREEMENT,	Made and entered into the	nis5th	day of October	19 79
by and between	William H. Cannon	and Merle I. Car	mon, husband and wife	
·	<u> </u>			
				
Kenneth J.	Wimsett Michael	Party of the first pa	rt, hereinafter called lessor (wheth ad Timothy T. Thompson	her one or more) and
		·	eart 108 of the second part, here	inafter called lesses
WITNESSETH, That	the said lessor, for and in	consideration of On	(00, F2). ••a [[66 •	
cash in hand paid, re part of lessee to be p lease and let unto soi	ceipt of which is hereby a aid, kept and performed, l d lessee, for the sale and o	icknowledged, and of the c nas granted, demised, leas	ovenants and agreements hereina ed and let and by these presents operating for oil and gas, and l i take care of said products, all	fter contained on the does grant, demise,
land situated in the C	County ofAllen	State of	Kansas describe	ed as follows to mit.
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			ailwoad being 3/4 of an	
so that part of	the NW/h of the N	i/lung said saction	n bounded as follows: (Commenciae et e
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othe more on le	realizatione the cost	C_corner_or_the_ss	id NW/4 of the NW/4, th	ence north 11.42
-			formerly deeded by Jos	
and wife to	Edward J. Wittich	and Pearl Wittich	his wife to the south	east line

and wife to Edward J. Wittich and Pearl Wittich, his wife to the southeast line of the public highway, thence in a northeasternly direction on the southeast line of said public highway to north line of the said NW/L of NW/L thence east along the north line of said NW/L of NW/L to the Northeast corner thereof; thence south along the said east line thereof to the southeast corner thereof, thence west along the south line oto the place of beginning, containing in all 23 acresmore or less, subject to Rights of way and Easements on record.

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of Section 15	Township 26S		and containing 23	acres more or le
In consideration 1st. To deliver (eighth (%) part of s		duced from said land ce covenants and agr f cost, in the pipe lir om the lessed promi	l by the lessee.	
prevailing market rai and lessor to have go land during the same 3rd. To pay less gasoline, one-eighth (te, for all gas used off the pr is free of cost from any such time by making his own con sor for gas produced from a %) of the proceeds at the pro-	emises, said payment n well for all stoves a nections with the we ny oil well and used evailing market rate	s to be made and all inside lights in the principal ill at his own risk and expense. off the premises, or for the manufor the gas used, for the time during	dwelling house on so
be used, said paymen	ts to be made		Ontohom	90
this lease shall termi	menced on said land on or be nate as to both parties, unle	efore the 500 or be	day of October efore that date shall pay or tender	to the lessor, or to t
lessor's credit in The	<u>Humboldt National</u>	LBa	nk at Humboldt, Kans	25
or its successors, whi	ch shall continue as the dep		changes in the ownership of said l	
100		DOLLARS, which sh	all operate as a rental and cover	the privilege of defe
months successively, only the privileges githat period as afores. Should the first we menced on said land shall terminate as to of rentals in the same the payment of rental effect thereof, shall carried the royalties and rentundivided fee, and the whether it is signed Lessee shall have water from wells of	ent of a well for renders the commencement And it is understood and a ranted to the date when said aid and any and all other rivell drilled on the above descivithin twelve months from the both parties, unless the lesse amount and in the same mails, as above provided, that tontinue in force just as though a less interest in the above als herein provided shall be se signing of this agreement by any of the other parties, the right to use, free of costessor.	of a well may be fugreed that the considered first rental is payable ghts conferred. The conferred first rental is payable to a dry he expiration of the late on or before the expiration of the late on the last preceding pay there had been not be described land that paid the lessor only is shall be binding on the last, gas, oil, and water	months from said date arther deferred for like periods of leration first recited herein, the do le as aforesaid, but also the lesse ole, then, and in that event, if a sast rental period for which rental heritation of said twelve months ship provided. And it is agreed that unagraph hereof, governing the pay interruption in the rental payment the entire and undivided fee simen the proportion which his interest each of the above named parties we produced on said land for its op	In like manner as the same number wn payment covers ne's option of extending second well is not con as been paid, this least leasume the payme pon the resumption nent of rentals and tis. ple estate therein, the bears to the whole a who sign, regardless
No well shall be dessor.		the house or barn n	ow on said premises, without the	written consent of t
Lessee shall pay	for damages caused by its og the right at any time to reing.	perations to growing move all machinery a	crops on said land. Ind fixtures placed on said premises	, including the right
right to arill such we	il to completion with reasona ase shall continue and be in f	ble diligence and dist	s lease or any extension thereof, tl eatch, and if oil or gas, or either of ect as if such well had been compl	them, he found in no
If the estate of e covenants hereof shal the land or assignment written transfer or a part or as to parts o in the payment of this lease in so far as payments of said ren	ither party hereto is assigned lextend to their heirs, execunt of rentals or royalties shas ssignment or a true copy the father above described lands a per proportionate part of the sit covers a part or parts of tals.	tors, administrators, all be binding on the creof; and it is hereb, and the assignee or a rents due from him said lands upon whi	f assigning in whole or in part is successors or assigns, but no chan lessee until after the lessee has y agreed in the event this lease shasignees of such part or parts she or them, such default shall not opech the said lessee or any assignee	ge in the ownership been furnished with all be assigned as to all fail or make defat rate to defeat or affo thereof shall make d
the right at any time event of default of pa All express or in or Regulations, and	to redeem for lessor by pay syment by lessor, and be sub nplied covenants of this le this lease shall not be term	ment, any mortgages rogated to the rights ase shall be subject inated, in whole or i	s herein described, and agrees tha , taxes or other liens on the above s of the holder thereof. to all Federal and State Laws, E in part, nor lessee held liable in o s the result of, any such Law, Orde	described lands, in t executive Orders, Ru
	•		Millians	Cansand SEA
Whereof witness	our hands as of the day an	l vear first	William H. Cannon	(SEA
_	on name as or the cay will	a gene silbe	Merleanlean	
above written.	,		Merle I. Camnon	(SEA
W	itness to the mark:			(SEA
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				(SEA)

STATE OF K	ansas	-1				
COUNTY OF Ne	osho	_ \ ss. ACKN	OWLEDGMEN	NT FOR 12	NDIVIDUAL (Kan	s., Okla., and Col
	e undersigned _e a Notary Public					
lay of Octob		<u>, 19<mark>79</mark>, per</u> :	sonally appear	ed <u>Wil</u>	<u>liam H. Canno</u>	on
and <u>Mer</u> l	e I Cannon					
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to me personally F or	Non-to be the identifity persons STATE Executed the same is their	i_who executed free and yo	l the within ar luntary net an	nd foregoi: Wieed for	ng instrument and	acknowledged to
IN WITH SS	x cuted the same at their WHO HOAR way he wanto	set my hand and	d offical seal t	the day an	d year last above y	ritten.
My commission expt	PUFebic2ia #983	<u>. </u>		auli	J De	vans
N.	P U Feb (C2) 1983					Notary Public.
ድሞልጥፑ <u>በ</u> ፑ	COUNTY, MASS	1				•
COUNTY OF	The state of the s	- ss. ACKN	OWLEDGME	NT FOR I	NDIVIDUAL (Kar	s., Okla., and Col
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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:

- 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 prepaid 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.
- 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 even Daystar intends to assign the right of operations to an unrelated corporation or third party, then the consent of Owner shall be required.

DAYSTAR	PETROLEUM.	INC.

"Daystar"

KanTex, LLC.

"Owner"

sv: / way www

Matthew S. Osborn, President

Name:___/

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

Description of Leases

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