



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: _____

Date: _____

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

_____ is acknowledged as the new operator of the above named lease containing the surface pit

Permit No.: _____ . Recommended action: _____

permitted by No.: _____ .

Date: _____
Authorized Signature

Date: _____
Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____



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 # _____
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: _____

OIL AND GAS LEASE
(Paid-Up)

THIS AGREEMENT made this 19th day of July, 2017, between Bill Edward Koelsch, herein called Lessor (whether one or more), and Bear Petroleum LLC, Lessee:

WITNESSETH:

1. Lessor, IN CONSIDERATION OF Ten Dollars (\$10.00) 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, demises, and lets exclusively unto Lessee the land hereinafter described with the exclusive right for the purposes of mining, exploring by geophysical and other methods, operating for, producing, and taking care of all oil, gas, and all of the products of oil and gas, with rights of way and easements for laying pipelines and the erection of structures thereon necessary or convenient to produce, save, and take care of all said products in that certain tract of land situated in the County of Stafford, State of Kansas, described as follows, to-wit:

North Half of the Southeast Quarter (N/2 SE/4)

in Section 25, Township 24S, Range 14W, and containing approximately 80 acres, more or less, and all accretions thereto.

2. It is agreed that this lease shall remain in full force and effect for a primary term of three (3) years from this date, and as long thereafter as oil, gas, or the products of oil or gas, or any of them, is produced from said land or lands with which said land is pooled.

3. This is a PAID-UP lease. Lessor agrees that Lessee shall not be obligated to commence or continue any operations during the primary term or to make any rental payments during the primary term.

4. Lessee agrees to pay Lessor a royalty on production covered hereby as follows: (a) on oil, and other liquid hydrocarbons saved at the well, one-eighth (1/8) of that produced and saved from said land, same to be delivered free of cost at the wells or to the credit of Lessor in the pipe line to which the wells may be connected; and (b) on gas, including casinghead gas and all gaseous substances covered hereby, one-eighth (1/8) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the production, severance, and other excise taxes and the cost incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, such payments to be made monthly. During any period after expiration of the primary term when gas is not being so sold or used and the well or wells are shut in, whether or not such wells are shut in before or after production, and there is no current production of oil or operations on said land sufficient to keep this lease in force, Lessee may pay or tender to Lessor a royalty of One Dollar (\$1.00) per year per net mineral acre retained hereunder, such payment or tender to be made on or before the later of the anniversary date of the well or wells becoming shut in or the anniversary date of this lease during the period such well or wells is shut in. When such payment or tender is made it will be considered that gas is being produced in paying quantities within the meaning of the entire lease.

5. If at the expiration of the primary term oil, gas, or the products or oil or gas are not being produced in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting drilling, completing, or reworking operations thereon, this lease shall continue in force so long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this lease shall continue as long thereafter as oil, gas, the products of oil or gas, or any of them is produced. If, after discovery of oil or gas or the products of oil or gas on said land or on acreage pooled therewith, the production therefrom ceases totally for any cause (other than a force majeure event), this lease shall not terminate if Lessee commences or resumes any drilling, completing, or reworking operations or production within ninety (90) days after such cessation, and if production of oil, gas, the products of oil or gas, or any of them is resumed, this lease shall continue as long thereafter as oil, gas, the products of oil or gas, or any of them is produced.

6. Lessee is hereby granted the right to pool or consolidate the leased premises, or any portion or portions thereof, as to all strata, or any stratum or strata, with other lands as to all strata, or any stratum or strata, such pooling to be in units not exceeding eighty (80) acres as to oil rights, plus a tolerance of ten percent (10%), and not exceeding six hundred forty (640) acres as to gas rights, plus a tolerance of ten percent (10%), to conform to Governmental Survey quarter sections. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a 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. In lieu of the royalties herein provided, Lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his or her acreage placed in the unit or his or her royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

7. Lessee is hereby granted free use of oil, gas, and water from said land, except water from Lessor's wells and tanks, for all operations hereunder, including repressuring, pressure maintenance, cycling, and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee also has the right at any time during or after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee agrees to bury all pipe lines below ordinary plow depth. Lessee agrees pay for damages caused by its operations to ~~existing~~ ~~structures~~ on said land. Lessee agrees not to drill any well within two hundred feet (200 ft.) of any residence or barn now on said land without Lessor's consent. Lessor shall have the privilege, at his or her risk and expense, of using gas from any gas well on said land for stoves and inside lights in the principal dwelling thereon, out of any surplus gas not needed for operations hereunder.

8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to the heirs, executors, administrators, successors, and assigns. No such change or division in the ownership of the land, rentals, or royalties shall be binding upon Lessee for any purpose until such person acquiring any interest has furnished Lessee with the instrument or instruments, or certified copies thereof, constituting his or her claim of title from the original Lessor. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all rentals and royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent, or otherwise to furnish separate measuring or receiving tanks. In the event of an assignment of this lease as to a segregated portion of said land, any rentals payable hereunder shall be apportioned as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. An assignment of this lease, in whole or in part, shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and, if Lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of the rentals due from such Lessee or assignee or fail to comply with any other provision of the lease, such default shall not affect this lease in so far as it covers a part of said lands upon which Lessee or any assignee thereof shall make payment of said rentals.

9. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to an event of force majeure. The term "force majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, landslides, and lightning; acts of the public enemy; wars, blockades, insurrections, or riots; strikes or lockouts; epidemics or quarantine regulations; laws acts, orders or requests of federal, state, municipal or other governments or governmental officers or agents under color of authority; freight embargoes or failures; exhaustion or unavailability or delays in delivery of any product, labor, service, or material. If Lessee is required or ordered or directed by any federal, state or municipal law, executive order, rule, regulation, or request enacted or promulgated under color of authority to cease drilling operations, reworking operations, or producing operations on the land covered by this lease, or if Lessee by force majeure is prevented from conducting drilling operations, reworking operations, or producing operations, then until such time as law, order, rule, regulation, request, or force majeure is terminated, and for a period of ninety (90) days after such termination, each and every provision of this lease that might operate to terminate it or the estate conveyed by it shall be suspended and inoperative and this lease shall continue in full force. If any period of suspension occurs during the primary term, the time thereof shall be added to such term.

10. Lessor hereby warrants and agrees to defend the title to said land, and agrees that Lessee, at its option, may discharge any tax, mortgage, or other lien upon said land, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply royalties accruing hereunder toward satisfying same. In case a Lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the rentals and royalties, including shut-in royalty, herein provided for shall be paid the said Lessor only in the proportion that his or her interest bears to the whole and undivided fee; however, such royalty shall be increased at the next succeeding lease anniversary after the acquisition of any additional interest in the above-described property, whether it be by reversion or after-acquired title, or if such additional acquisition occurs after production be obtained, then the royalty shall be increased to cover the interest or after-acquired. Should any one or more of the parties named above as Lessor fail to execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

11. Lessee and Lessee's successors and assigns shall have the right at any time to surrender or release this lease, in whole or in part, to Lessor or his or her heirs and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this lease as to the acreage so surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

12. This lease is subject to any valid lease of record, and Lessor assigns to Lessee all of his, her, or their interest in any oil and gas equipment on said premises.

13. Lessee will do its best to put land back as near like condition as it was before drilling of wells.

IN WITNESS WHEREOF, we sign the day and year first above written.

Bill Edward Koelsch

Bill Edward Koelsch

Acknowledgment

STATE OF Kansas)
COUNTY OF BARTON)ss.

Be it remembered that on the 19th day of July, 2017, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Bill Edward Koelsch, personally known to me to be the same person who executed the foregoing instrument of writing in behalf of said trust, and he duly acknowledged the execution of the same for himself and for said trust 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:

Rhonda R. Wineinger
Notary Public

