

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:

- 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 _____

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2014

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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: _____

ASSIGNMENT AND BILL OF SALE

STATE OF KANSAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF ELLIS §

WHEREAS, EnergyQuest II, LLC, a Texas limited liability company ("**Grantor**") owns certain undivided interests in and to the Assets (as defined below);

WHEREAS, Hoffman Resources, LLC, a Kansas limited liability company ("**Grantee**", and, together with Grantor, the "**Parties**"); and

WHEREAS, pursuant to that certain Purchase and Sale Agreement by and among Grantor and Grantee dated as of September 11, 2017, (the "**Purchase Agreement**") Grantor has agreed to assign to Grantee all of its right, title, and interest in and to the Assets as set forth in this Assignment and Bill of Sale (the "**Assignment**").

ASSIGNMENT

Section 1 Assignment. NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby GRANTS, BARGAINS, SELLS, AND CONVEYS, and by these presents has GRANTED, BARGAINED, SOLD, AND CONVEYED unto Grantee all right, title, and interest of Grantor in and to the following (collectively the "**Assets**"):

(A) the oil and gas leases, oil, gas, and mineral leases and subleases and assignments, mineral fee interests, royalty interests, overriding royalty interests, and carried interests described on Exhibit "A", and, without limiting the foregoing, other rights (of whatever character, whether legal or equitable, vested or contingent, and whether or not the same are expired or terminated) to the Hydrocarbons in, on, under, and that may be produced from, the properties described on Exhibit "A" (collectively, the "**Leases**");

(B) any and all oil, gas, water, CO2 or injection wells located on the Leases, including those wells described on Exhibit "B" or on pooled, communitized, or unitized acreage that includes all or any part of the Leases, including, the interests in the wells shown on Exhibit "B", whether producing, non-producing, permanently or temporarily plugged and abandoned, whether or not fully described on Exhibit "B" (the "**Wells**");

(C) all pooled, communitized, or unitized acreage which includes all or part of any Leases and all tenements, hereditaments, and appurtenances belonging thereto (the "**Units**," and, together with the Wells and Leases, the "**Properties**");

(D) all currently existing contracts, agreements, and instruments primarily applicable

to the Properties, including operating agreements; unitization, pooling, and communitization agreements; declarations and orders; area of mutual interest agreements; farmin and farmout agreements; exchange agreements; transportation agreements; and processing agreements; provided, however, that the term “Contracts” shall not include the Leases and other instruments constituting Grantor’s chain of title to the applicable Leases (subject to such exclusion and proviso, the “Contracts”);

(E) all easements, permits, licenses, servitudes, rights-of-way, surface leases, right of use and easement, and other rights to use the surface appurtenant to, and used or held for use solely in connection with, the Properties;

(F) all equipment, machinery, fixtures, and other tangible personal property and improvements located on the Properties and used or held for use primarily in connection with the operation of the Properties or the production or transportation of Hydrocarbons from the Properties (subject to such exclusions, the “Equipment”);

(G) all Hydrocarbons produced from, or attributable to, the Properties from and after the Effective Date; all Hydrocarbon inventories from or attributable to the Properties that are in storage on the Effective Date; and, to the extent related or attributable to the Properties, all production, plant, and transportation imbalances as of the Effective Date (provided, however, that Purchaser’s rights to the Assets described in this subsection (G) shall be satisfied solely pursuant to Section 2.2(a) of the Purchase Agreement); and

(H) all lease files, land files, division order files, abstracts, title opinions, contract files, and well and production records of Grantor, to the extent relating to the Properties (collectively, the “Records”), but excluding, in each case (subject to such exclusions, the “Excluded Records”):

- a. all corporate, financial, Tax, and legal data and records of Grantor that relate to Grantor’s business generally (whether or not relating to the Assets) or to Grantor’s business, operations, assets, and properties not expressly included in the Purchase Agreement;
- b. any data, software, and records to the extent disclosure or transfer is prohibited or subjected to payment of a fee or other consideration by any license agreement or other agreement, or by applicable Law, and for which no consent to transfer has been received or for which Grantee has not agreed in writing to pay the fee or other consideration, as applicable;
- c. all legal records and legal files of Grantor, including all work product of, and attorney-client communications with Grantor’s legal counsel (other than Leases, title opinions, and Contracts);
- d. data and records relating to the sale of the Assets, including communications with the advisors or representatives of Grantor or its Affiliates;

- e. any data and records relating to the Excluded Assets or assets and properties not expressly included in the Purchase Agreement; and
- f. those original data and records retained by Grantor pursuant to Section 9.6 of the Purchase Agreement.

EXCEPTING AND RESERVING to Grantor, however, the Excluded Assets (as defined below).

TO HAVE AND TO HOLD the Assets unto Grantee, its successors and assigns forever, subject, however, to the terms and conditions of this Assignment.

Section 2 Excluded Assets. Notwithstanding anything to the contrary in Section 1 or elsewhere in this Assignment, the Assets shall not include any rights with respect to the following "**Excluded Assets**":

- (A) the Excluded Records;
- (B) copies of other Records retained by Grantor pursuant to Section 9.6 of the Purchase Agreement;
- (C) Assets excluded from this Assignment pursuant to Section 1.3 of the Purchase Agreement;
- (D) all contracts of insurance and claims against insurers and other third Persons pending on or prior to the Effective Date;
- (E) all trademarks, trade names, and other intellectual property;
- (F) all of Grantor's interests in office leases and buildings;
- (G) any leased equipment and other leased personal property if such property, or the Contract pursuant to which it was leased, is not freely transferrable without payment of a fee or other consideration, unless Grantee has agreed in writing to pay such fee or consideration;
- (H) any Tax refund or loss carry-forward (whether by payment, credit, offset, abatement, or otherwise, and together with any interest thereon) in respect of any Taxes for which Grantor is liable for payment or required to indemnify Grantee under Section 7.1 or Section 8.3(a)(i) (with respect to Section 8.2(c)) of the Purchase Agreement, whether received before, on, or after the Effective Date;
- (I) all indemnities and other claims against Persons (other than Grantor and/or its Affiliates) for Taxes for which Grantor or any of its Affiliates are liable for payment or required to indemnify Grantee under Section 7.1 or 8.3(a)(i) (with respect to Section 8.2(c)) of the

Purchase Agreement;

(J) costs and revenues associated with all joint interest audits and other audits of Property Costs covering periods for which Grantor is in whole or in part responsible for the Assets, which audit adjustments are paid or received prior to the Cut-Off Date;

(K) refunds relating to the overpayment of royalties by or on behalf of Grantor to any Governmental Authority, to the extent relating to royalties paid with respect to Hydrocarbon production prior to the Effective Date, whether received before, on, or after the Effective Date;

(L) all office equipment, computers, cell phones, pagers and other hardware, personal property, and equipment that relate primarily to Grantor's business generally, even if otherwise relating to the business conducted by Grantor with respect to the Assets;

(M) any other assets, contracts, or rights which are (i) not specifically described in Section 1.2(d) of the Purchase Agreement, or (ii) described on Schedule 1.3 of the Purchase Agreement (whether or not specifically described in Section 1.2(a) of the Purchase Agreement).

Section 3 Special Warranty; Disclaimer. Grantor warrants title to the Assets, subject to the permitted encumbrances and the terms and conditions of the Purchase Agreement, unto Grantee, its successors and assigns, against all persons claiming or to claim the same or any part thereof by, through, or under Grantor, but not otherwise. **EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE, GRANTOR MAKES NO; AND EXPRESSLY DISCLAIMS AND NEGATES ANY, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED; AS TO TITLE TO ANY OF THE ASSETS.** Grantor hereby assigns to Grantee all rights, claims, and causes of action on title warranties given or made by Grantor's respective predecessors (other than Affiliates of Grantor), and Grantee is specifically subrogated to all rights which Grantor may have against their respective predecessors (other than Affiliates of Grantor), to the extent that Grantor may legally transfer such rights and grant such subrogation.

Section 4 Disclaimer of Other Warranties. Except as specifically represented otherwise in the Purchase Agreement, the Assets are assigned **AS IS, WHERE IS, AND WITH ALL FAULTS, AND GRANTOR MAKES NO, AND EXPRESSLY DISCLAIMS AND NEGATES ANY, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (A) MERCHANTABILITY OF SUCH PERSONAL PROPERTY, (B) FITNESS OF SUCH PERSONAL PROPERTY FOR ANY PARTICULAR PURPOSE, (C) CONDITION OF SUCH PERSONAL PROPERTY, (D) INFRINGEMENTS BY SUCH PERSONAL PROPERTY OF INTELLECTUAL PROPERTY RIGHTS AND (E) CONFORMITY OF SUCH PERSONAL PROPERTY TO MODELS OR SAMPLES OF MATERIALS.**

Section 5 Assumed Obligations. Effective as of the Effective Date, Grantee assumes and agrees to fulfill, perform, pay, and discharge (or cause to be fulfilled, performed, paid or discharged) all of the Assumed Obligations (as such term is defined in the Purchase Agreement).

Section 6 Subject to Contracts. Grantee is taking the Assets subject to the terms of

the Contracts, and Grantee hereby assumes and agrees to fulfill, perform, pay, and discharge Grantor's obligations under such Contracts from and after the Effective Date.

Section 7 **Further Assurances.** From and after the date hereof, Grantor, without further consideration, will use its good faith efforts to execute, deliver, and (if applicable) file or record or cause to be executed, delivered, and filed or recorded such good and sufficient instruments of conveyance and transfer, and take such other action as may be reasonably required of Grantor to effectively vest in Grantee beneficial and record title to the Assets conveyed pursuant hereto, and, if applicable, to put Grantee in actual possession of such Assets. After the date of this Assignment, Grantor and Grantee shall, without further consideration, execute, deliver and (if applicable) file or record, or cause to be executed, delivered and filed or recorded, all instruments, and take such actions, as may be reasonably required of Grantor or Grantee to accomplish the conveyance and transfer of the Assets, any change in operator, and otherwise consummate the transactions contemplated by this Assignment and the Purchase Agreement, and shall send all required notices with respect to the Assets.

Section 8 **Assignment Subject to Purchase Agreement.** This Assignment is expressly subject to the terms and conditions of the Purchase Agreement, which terms are hereby incorporated into this Assignment by reference for all purposes. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Purchase Agreement.

Section 9 **Successors and Assigns.** This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 10 **Titles and Captions.** All article or section titles or captions in this Assignment are for convenience only, shall not be deemed part of this Assignment and in no way define, limit, extend, or describe the scope or intent of any provisions hereof.

Section 11 **Governing Law.** Except to the extent the laws of another jurisdiction will, under conflict of law principles, govern transfers of Assets located in such other jurisdiction, this Assignment and the rights of the parties hereunder shall be governed by, and construed in accordance with, the laws of the state of Texas.

Section 12 **Counterparts.** This Assignment may be executed in any number of counterparts, and by different parties in separate counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED AND DELIVERED as of the dates set forth in the notary certifications below, but effective for all purposes as of the 1st day of August, 2017, the "Effective Date".

GRANTOR:

ENERGYQUEST II, LLC

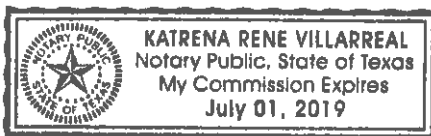
By: Wayne A. Greenwalt
Name: Wayne A. Greenwalt
Title: President and Chief Executive Officer

STATE OF TEXAS

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COUNTY OF MONTGOMERY

BEFORE ME, on this 3rd day of November, 2017, the undersigned Notary Public, on this day personally appeared Wayne A. Greenwalt, who, being by me duly sworn, did say that he is the President and Chief Executive Officer of EnergyQuest II, LLC, a Texas limited liability company, and that said instrument was signed in behalf of said company by authority of its Board of Managers and said Wayne A. Greenwalt acknowledged said instrument to be the free act and deed of said limited liability company.



Katrena Rene Villarreal
Notary Public, State of Texas
Printed Name: Katrena Rene Villarreal
My Commission Expires: 7/1/2019

GRANTEE:

HOFFMAN RESOURCES, LLC

By: Alan J. Hoffman
Name: Alan J. Hoffman
Title: Owner

STATE OF TEXAS

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COUNTY OF MONTGOMERY

BEFORE ME, on this 3rd day of November, 2017, the undersigned Notary Public, on this day personally appeared Alan J. Hoffman who, being by me duly sworn, did say that he is the Owner of Hoffman Resources, LLC, a Kansas limited liability company, and that said instrument was signed in behalf of said company by authority of its Board of Managers and said Alan J. Hoffman acknowledged said instrument to be the free act and deed of said limited liability company.



Katrena Rene Villarreal
Notary Public, State of Texas
Printed Name: Katrena Rene Villarreal
My Commission Expires: 7/1/2019

Exhibit "A"
Leases

LEASE NO.	LESSOR	LESSEE	LEASE DATE	TRACT NO.	SECTION	TOWNSHIP	RANGE	LEGAL DESCRIPTION	BOOK	PAGE	COUNTY	STATE
KS10588	ANTHONY LEIKER AND JANET SUE LEIKER, H/W	SHELBY RESOURCES, LLC	3/21/2005	1	8	15S	17W	SE4	618	570	ELLIS	KS
KS10574	HUGH CARMICHAEL AND MARGARET JANE CARMICHAEL, H/W	JOHN S. BARWICK	10/10/1935	1	11	11S	18W	NW4SE4	21	466	ELLIS	KS
KS10848	HERBERT WESLEY VINE AND ORPHA VINE, HIS WIFE	JOE A. BELL	3/8/1947	1	14	11S	19W	COMMENCING AT THE SW CORNER OF THE SW4, THENCE 880 FEET EAST, THENCE NORTH 880 FEET, THENCE EAST 880 FEET, THENCE NORTH 880 FEET, THENCE EAST 880 FEET TO THE EAST LINE OF THE SW4, THENCE NORTH TO THE CENTER OF SECTION 14, THENCE WEST ALONG THE HALF SECTION LINE TO THE WESTLINE OF SAID SECTION, THENCE SOUTH 2,640 FEET TO THE POINT OF BEGINNING, CONTAINING 106.66 ACRES, MORE OR LESS.	62	345	ELLIS	KS
KS10945A	R.P. DEVINE, ET AL	CONTINENTAL OIL COMPANY	5/16/1946	1	23	11S	19W	NE, N2SE, W2SWSE, NESWSE	59	117	ELLIS	KS
KS10945B	JANET G. APPLEMAN AND NATHAN APPLEMAN, HER HUSBAND; A.J. LEWIS AND FRANCIS LEWIS, HIS WIFE; RITA L. GORE AND RALPH GORE, HER HUSBAND; MARILYN KRULWICH, NEE MARILYN LEWIS, AND ALLEN KRULWICH, HER HUSBAND; JOSEPHINE LEWIS, A SINGLE WOMAN; MARION A. JANKOWSKY AND FRANK JANKOWSKY, HER HUSBAND; NATHAN APPLEMAN AND A.J. LEWIS, AS TRUSTEE OF SARA LEWIS, DECEASED; DOROTHY A. TURK, GUARDIAN OF THE ESTATE OF IRENE TURK AND SALLY TURK, MINORS	CONTINENTAL OIL COMPANY	7/18/1946	1	23	11S	19W	NE, N2SE, W2SWSE, NESWSE	59	829	ELLIS	KS
KS10945C	HARRY GORE AND ANNA GORE, HIS WIFE	CONTINENTAL OIL COMPANY	7/19/1946	1	23	11S	19W	NE, N2SE, W2SWSE, NESWSE	59	612	ELLIS	KS
KS10945D	J.R. MCGINLEY AND ZULEME T. MCGINLEY, HIS WIFE	CONTINENTAL OIL COMPANY	7/19/1946	1	23	11S	19W	NE, N2SE, W2SWSE, NESWSE	59	611	ELLIS	KS
KS10947	CECIL ERNEST VINE AND JENNIE VINE, HIS WIFE	JOE A. BELL	3/8/1947	1	23	11S	19W	NW	62	446	ELLIS	KS

Exhibit "B"
Wells

FIELD	WELL NAME	API	OPERATOR	COUNTY	STATE	BPO		APO	
						WI	WINRI	WI	WINRI
BEMIS-SHUTTS	CARMICHAEL 1	15051049380000	ENERGYQUEST II, LLC	ELLIS	KS			1.00000000	0.855000000
BEMIS-SHUTTS	CARMICHAEL 2	15051049380000	ENERGYQUEST II, LLC	ELLIS	KS			1.00000000	0.855000000
BEMIS-SHUTTS	CARMICHAEL 3	15051251050000	ENERGYQUEST II, LLC	ELLIS	KS			1.00000000	0.855000000
BEMIS-SHUTTS	CARMICHAEL SOUTH 2	15051252060000	ENERGYQUEST II, LLC	ELLIS	KS			1.00000000	0.83714840
SOLOMON	DEVINE 'A' #2	15051022590000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	DEVINE RP #8	15051023030000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	DEVINE RP #9	15051023040000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	DEVINE RP 23-32A	15051264980000	ENERGYQUEST II, LLC	ELLIS	KS	0.80981505		0.84290773	0.73122705
SOLOMON	VINE C E A 2	15051023120000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	VINE C E A 4	15051191320000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	VINE C E A 6	15051023150000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	VINE C E A 7	15051023160000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	VINE H W 1	15051022810000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	VINE H W 2 SWD	15051191360002	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
SOLOMON	VINE H W 5	15051253080000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.00000000
SOLOMON	VINE H W 6	15051253080000	ENERGYQUEST II, LLC	ELLIS	KS			0.84290773	0.73754507
WHEATLAND NORTHEAST	LEIKER 1-8	15051255410000	ENERGYQUEST II, LLC	ELLIS	KS			0.87000000	0.71775000