

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 _____

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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: _____

January 30, 2018

Paul Dwyer and Lindi Dwyer
P.O. Box 247
Trenton, NE 69044

Re: Purchase and Sale Agreement
Wilhelm Field
Township 1 South, Range 32 West
Section 20: ALL
Section 21: W/2 NW/4
Rawlins County, Kansas

Dear Mr. and Mrs. Dwyer:

Kelso Oil & Gas, Inc. ("Buyer"), hereby offers to purchase all of the right, title and interest of Paul Dwyer and Lindi Dwyer, Joint Tenants with Rights of Survivorship ("Seller"), in and to the oil and gas leases, production, personal property, equipment and contract rights in the captioned well and lands (collectively, the "Property"), more fully described on the attached Exhibit 'A', subject to the following terms and conditions:

1. The purchase price of the Property is \$525,000.00, payable at closing for conveyance of all of Seller's right, title and interest in the Property. Said Property and all associated equipment will be conveyed to Buyer in their present condition and location on an as-is and where-is basis.
2. The effective date of the proposed transaction is 8:00 a.m., C.S.T., on February 2, 2018.
3. Closing for the transaction contemplated herein shall take place in the offices of the Seller on or before February 28, 2018, or as soon as practicable thereafter or by other arrangements made by mutual agreement between Buyer and Seller.

Seller, at closing, shall deliver executed and acknowledged conveyances of the property on the form attached hereto as Exhibit 'B' executed in favor of Buyer, file the Change of Operator form (KCC form T-1) on KOLAR naming Mike Kelso Oil, Inc. as operator of the associated wells and turn

over possession of the property to Buyer. Operations of the Property will not be taken over and effective until such time as the KCC has approved the T-1 form accepting Mike Kelso Oil, Inc. as the operator of record.

At, or within ten (10) days after closing, Seller will deliver to Buyer, its land, legal, well, log and engineering files related to the Property.

4. This offer is subject to (i) Buyer's verification of working and net revenue interests, and the acceptability of associated titles; (ii) verification that there are no material claims, liens or encumbrances against the Properties and that Seller can convey merchantable title to the Property.
5. All claims and liabilities, arising prior to, or as a result of incidents prior to the effective date, including environmental liabilities, shall be the responsibility of the Seller and Seller shall indemnify Buyer against such claims and liabilities. All claims and liabilities arising after, and due to incidents after the effective date, shall be the responsibility of the Buyer and Buyer shall indemnify Seller against such claims and liabilities.
6. Buyer and Seller hereby agree that all oil sold on or before February 2, 2018 will be credited to the account of Seller and Buyer agrees to notify the oil purchaser that the change in ownership for the purpose of oil sales will be effective March 1, 2018. All other oil on stock will become the property of the Buyer.
7. Seller will be responsible for payment of property taxes for 2017 and all prior years. Property taxes for 2018 will be the responsibility of the Buyer.
8. Execution by Seller and delivery at closing of the enclosed Assignment, Bill of Sale and Conveyance in favor of the Buyer.
9. This agreement shall be binding on the parties hereto and their respective successors and assigns.
10. Seller hereby agrees to clean up the existing storage yard (NE/4 Sec. 20-T1S-R32W) and remove all tanks, tubing, rods and any other surplus equipment.

If you are in agreement with the foregoing terms and conditions, please so indicate by signing in the space provided below and returning one (1) originally signed copy of this letter to the Sellers address or via email at your earliest convenience.

If you have any questions, or require any additional information, please contact me at the telephone number referenced above.

Yours very truly,

MIKE KELSO OIL, INC.

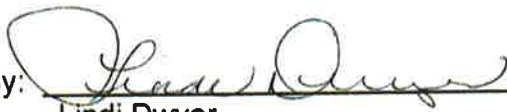


Mike Kelso, President
P.O. Box 467
Chase, KS 67524-0467

ACCEPTED and AGREED TO this 2 day of Feb., 2018.

Paul Dwyer and Lindi Dwyer, Joint Tenants with Rights of Survivorship

By: 
Paul Dwyer

By: 
Lindi Dwyer

BlueRidge Petroleum Corporation (Operator)

By: 
Jonathan Allen, President
P.O. Box 30545
Edmond, OK 73003
jallen@blueridgepetroleum.com

EXHIBIT 'B'

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

KNOW ALL MEN BY THESE PRESENTS:

That **Paul Dwyer and Lindi Dwyer, as Joint Tenants with Rights of Survivorship**, husband and wife, whose mailing address is P.O. Box 247, Trenton, Nebraska 69044, hereinafter referred to as "Assignor", for and in consideration of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby sell, assign, transfer and set over unto **KELSO OIL & GAS, INC.**, whose mailing address is P.O. Box 467, Chase, KS 67524, hereinafter referred to as "Assignee", all of their right, title and interest, together with all of the rights incident thereto, and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith, in and to the oil and gas leases described as follows:

LEASE A:	Lessor:	Sylvia J. Meyer, a widowed person
	Lessee:	Bow Creek Oil Company, LLC
	Dated:	March 12, 2012
	Recorded:	Book X-89, Page 429
	Description:	W/2 Section 20-T1S-R32W Rawlins County, Kansas
LEASE B:	Lessor:	Archie E. and Patricia A. Wicke
	Lessee:	Bow Creek Oil Company, LLC
	Dated:	April 16, 2012
	Recorded:	Book X-90, Page 195
	Description:	E/2 Section 20-T1S-R32W Rawlins County, Kansas
LEASE C:	Lessor:	Gary A. Koehn and Rita K. Koehn, husband and wife
	Lessee:	Bow Creek Oil Company, LLC
	Dated:	May 1, 2012
	Recorded:	Book X-92, Page 154
	Description:	E/2 Section 20-T1S-R32W Rawlins County, Kansas
LEASE D:	Lessor:	Linda A. Elder, a widow
	Lessee:	Bow Creek Oil Company, LLC
	Dated:	May 1, 2012
	Recorded:	Book X-92, Page 160
	Description:	E/2 Section 20-T1S-R32W Rawlins County, Kansas
LEASE E:	Lessor:	Thomas A. Bayless and Debra F. Bayless, husband and wife
	Lessee:	Bow Creek Oil Company, LLC
	Dated:	May 1, 2012
	Recorded:	Book X-92, Page 162
	Description:	E/2 Section 20-T1S-R32W Rawlins County, Kansas

Assignment, Bill of Sale and Conveyance dated effective February 1, 2018, from Paul Dwyer and Lindi Dwyer to Kelso Oil & Gas, Inc.

