

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: _____

Title: _____

Signature: _____

Oil / Gas Purchaser: _____

Date: _____

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
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Form KSONA-1

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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: _____



88 INVERNESS CIR E, UNIT F104
ENGLEWOOD, CO 80112
OFFICE (303) 925-0696
FAX (303) 925-0699
www.norstarpetroleum.com

Steve Becker
A&A Well Services, Inc.
4500 Connecticut Rd.
Elsmore, KS 66732

RE: Purchase and Sale Agreement
JK Corp and D. J. Daniels Lease

Bourbon County, KS

January 25, 2018

Dear Steve:

Pursuant to our agreement regarding a purchase of our JK Prospect interests, Norstar Petroleum Inc. has received sufficient approvals from Working Interest Owners to sell the above leases. A&A Well Services, Inc. ("Buyer") hereby offers to purchase all of the interests owned by Norstar Petroleum Inc. et al. ("Seller") in the wells and associated lease described in Exhibit "A" attached hereto for the cash sum of [REDACTED]. The effective date of the sale shall be January 1, 2018 ("Effective Date"). This letter, when signed by both parties, shall constitute a Purchase and Sale Agreement by and between Buyer and Seller. This offer is for all of Seller's right, title and interest in and to the following interests ("Interests").

- a) Oil, gas and other mineral leasehold and fee interests described in Exhibit "A" to this Agreement ("Lease"), together with all the property and rights appurtenant or incident thereto, including without limitation all rights of Seller in oil, gas and associated substances and other minerals produced or producible from or attributable to the Lease or to any units, pooled areas or communitized areas that cover or include all or any portion of the Lease;
- b) The wells ("Wells"), equipment and facilities located on and used in connection with the Lease including, but not limited to, pumps, well equipment (surface and subsurface), saltwater disposal wells, lines and facilities, sulfur recovery facilities, compressors, compressor stations, dehydration facilities, treating facilities, gathering lines, flow lines, valves, meters, separators, tanks, tank batteries and other fixtures;
- c) Oil, gas, natural gas and other substances produced after the Effective Date, including "line fill" and inventory below the pipeline connection in tanks, attributable to the Interests;
- d) All contracts and agreements concerning the Lease including, but not limited to, unit agreements, pooling agreements, areas of mutual interest, farm out agreements, farm in agreements, saltwater disposal agreements, water injection agreements, line well injection agreements, road use agreements, drilling contracts, operating agreements, well service

contracts, production sales contracts, gas balancing agreements, storage or warehouse agreements, service contracts, construction agreements, division orders and transfer orders, only insofar as such agreements relate to the Interests;

- e) All service use agreements, easements, right-of-ways, licenses, authorizations, permits and similar rights and interest applicable to the Lease and Wells;

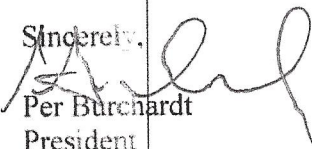
This offer is subject to the following terms and conditions:

1. Seller represents and warrants to Buyer that it owns and holds good and marketable title to the undivided Interests described on Exhibit "A", free and clear of all liens, encumbrances and adverse claims.
2. Seller will provide access to all records and information in its possession relative to the properties to Buyer as required to perform any due diligence. Said due diligence by Buyer will be completed within five (5) business days of the date of acceptance of this Agreement. Due diligence will include, but not be limited to the following:
 - a) Review of operating cost statements.
 - b) Review of revenue statements.
 - c) Review of production and land files.
3. Buyer will have five (5) business days from the date of acceptance of this Agreement to assure itself of the fitness and condition of equipment located on and around the wells.
4. The purchase price, as set out above, shall be paid in full at the Closing Date, to occur within fourteen (14) business days following the acceptance of this Agreement. At the Closing Date, a fully executed assignment in form and substance equivalent to the one attached herewith, shall be executed by Seller. The purchase price shall be adjusted at final closing for title defects, if any. There shall be no adjustments for invoices, ad valorem taxes or oil inventory at the Closing Date, but Seller shall prepare for Buyer's review invoices for same, as such costs or adjustment become available. Seller shall cause to sell as close to the Effective Date as practical, and shall receive credit for, any oil above pipeline connections in the stock tanks.
5. Seller has paid its share of all invoiced expenses attributable to the Interests. Seller has encountered no broker's or finder's fees in conjunction with this sale that would become a liability for Buyer.
6. Seller represents that there are no preferential purchase rights or gas balancing deficits encumbering said Interests. Seller shall prepare a mutually agreeable form of assignment for Buyer's review.
7. The assignment from Seller to Buyer is made subject to all the terms and the expressed and implied covenants and conditions of said Leases to the extent of the rights hereby assigned, which terms, covenants and conditions Buyer hereby assumes and agrees to perform with respect to the lands covered thereby.
8. Seller agrees to hold and save harmless Buyer from any claim, lawsuits and damages arising from any acts or omissions prior to the Effective Date hereof, including, but not limited to all liens, encumbrances, or damages incurred in the drilling, operation or plugging of any wells that are part of this contemplated acquisition.
9. Buyer agrees to hold and save harmless Seller from any claim, lawsuits and damages arising from any acts or omissions after the Effective Date hereof, including, but not limited to all liens, encumbrances, or damages incurred in the drilling, operation or plugging of any wells that are part of this contemplated acquisition.

10. Buyer and Seller shall be responsible for and bear all of their or its own costs and expenses (including any broker's or finder's fees) incurred in connection with the proposed transaction, including expenses of their or its representatives, incurred at any time in connection with pursuing or consummating the proposed transaction.
11. This purchase offer can be withdrawn at any time by Buyer prior to the Closing Date if the conditions noted above are not met or if the results of its due diligence are not fully satisfactory to Buyer.
12. Buyer and Seller agree to sign any documents now or in the future that are deemed necessary to effect the intent of the transactions described herein.
13. In that certain discussions have been held relating to the interests, it is the intent of Buyer and Seller as follows:
 - a) Plugging of wells on these shallow leases are part of normal business operations, and Seller shall not be held liable if old wells break out and start to flow as a result of future injection operations.
 - b) Seller reserves the right to retain the refund of electric deposits or cooperative credits relating to ownership prior to the Effective Date.
 - c) Buyer understands that Seller will take assignment into Norstar Petroleum Inc. from multiple other Working Interest Owners and then assign 100% Working Interest to Buyer. Buyer will be held harmless by Seller for liabilities associated with the sale and distribution of the proceeds or credits/debits between Seller and its Working Interest Owners.
 - d) Seller makes no representation as to the validity of the Lease due to lack of production.
 - e) Seller is responsible for submitting 2017 annual injection reports (U3C) to the KCC, and Buyer will work with Seller in providing the data.
 - f) Seller delivers the Lease "As is, Where is" and Buyer acknowledges that the injection lines are currently plugged up, and will need repair and/or replacement. Buyer will pay for all of those costs incurred after the Effective Date.

This offer will expire and become null and void if not accepted by Buyer by January 31, 2018, unless extended by Seller at its sole discretion. This Agreement shall become binding upon Buyer and Seller once signed and accepted by Buyer and shall be governed by the applicable laws of the State of Kansas. It shall, furthermore, be binding upon the heirs, successors and assigns of Buyer and Seller. If you approve, please sign and return one copy of this Agreement at your earliest convenience.

Sincerely,


Per Burchardt
President

Attachment: Assignment with Exhibit "A"

This Purchase Offer is approved and accepted to this 30 day of January, 2018



Steve Becker, A&A Well Services, Inc.

Exhibit A

Attached to and made a part of that Assignment, Conveyance and Bill of Sale dated effective December 31, 2017 by and between Norstar Petroleum Inc. as Assignor and A & A Well Services, Inc., as Assignee.

LESSOR: J. K. Corporation, a Kansas Corporation
LESSEE: Coral Petroleum Development, Inc.
DATE: August 29, 1979
LAND: Township 26 South, Range 21 East
Section 24: W/2, NE/4

Township 26 South, Range 22 East
Section 18: SE/4
Section 19: N/2
Containing 960 acres, more or less

RECORDING DATA: All in Bourbon County, Kansas
Book M64, Pages 549-550

LESSOR: D. J. Daniels and Kathleen F. Daniels, his wife
LESSEE: Richard L. Kaufman
DATE: October 30, 1987
LAND: Township 26 South, Range 22 East
Section 18: W/2
Containing 320 acres, more or less

RECORDING DATA: All in Bourbon County, Kansas
Book M92, Pages 252-253