

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: \_\_\_\_\_

OIL AND GAS LEASE

KS 274 A 2340 - CD

THIS AGREEMENT, Entered into this the 4th day of January, 1996  
between John A. Snider, a single man;  
Box 68, Raymond, KS 67573

and J. Fred Hambricht, 125 N. Market, Wichita, KS 67202 hereinafter called lessor,  
hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten & more Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, and with the right to utilize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and their respective constituent vapors, and all other gases and for constructing roads, laying pipe lines, building tanks, storing oil, building powers, stations, telephone lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture

all of such substances, said tract of land with any reversionary rights therein being situated in the County of Lane State of Kansas, and described as follows:

Township 17 South, Range 29 West  
Sec. 4: SE 1/4

containing 160 acres, more or less.

2. This lease shall remain in force for a term of Three (3) years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas, condensate, distillate or other gaseous substance is found, and where such gas is not sold or used lessee may pay or tender annually at the end of each yearly period dating from the completion of the first such gas well during which such gas is not sold or used, as in lieu royalty, whether one or more wells, an amount equal to the delay rental provided in paragraph 5 hereof and while said in lieu royalty is so paid or tendered it will be considered under all provisions of this lease that gas is being produced in paying quantities; the lessor to have gas free of charge from any gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 4 day of January, 1997 this lease shall terminate as to both parties, unless the lessee shall on or before said date by check or draft pay or tender to the lessor or for the lessor's credit in the

First United Bank at Great Bend, KS 67530

or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of One hundred sixty & NO/100 Dollars which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner above shall be binding on the heirs, devisees, executors, and administrators of such persons.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion, and rentals hereunder shall be increased at the next succeeding rental anniversary after written notice of such reversion by lessor to lessee, provided said notice is received by lessee at least 30 days prior to any such rental anniversary.

7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations ~~to growing crops~~ on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises including the right to draw and remove all casing, but lessee shall be under no obligation to do so.

*JAS*

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

9. 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 be hereafter divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

11. If at any time prior to discovery of oil or gas on said land, lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas the production thereof should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within sixty (60) days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental payment date next ensuing after the expiration of three months from the date of completion of the dry hole or cessation of production. If at the expiration of the primary term oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, the lease shall remain in force so long as operations are prosecuted, either on the same well or any other well thereafter commenced, with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases adjoining same or in the vicinity thereof, when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be of tracts adjoining same or in the vicinity thereof as to form a compact unit or units, and to be in a unit or units not exceeding 43 acres each in the event of an oil well, or into a unit or units not exceeding 660 acres each in the event of a gas and/or condensate or distillate well. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

In the event drilling operations or geophysical operations are conducted on the leased premises, Lessee or its assigns, agrees to restore the land to its original contour as is reasonably practicable.

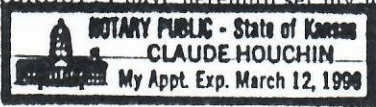
IN WITNESS WHEREOF, we sign the day and year first above written.

  
John A. Snider SSN 511-40-3321

STATE OF Kansas }  
COUNTY OF Barton } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this 4th  
day of January, 1996, personally appeared John A. Snider, a single man;  
and \_\_\_\_\_

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me  
that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.



Claude Houchin  
Claude Houchin Notary Public.

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_  
and \_\_\_\_\_

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me  
that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires \_\_\_\_\_  
Notary Public.

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR CORPORATION

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D., 19\_\_\_\_, before me, the undersigned, a Notary Public  
in and for the county and state aforesaid, personally appeared \_\_\_\_\_  
to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing  
instrument as its \_\_\_\_\_ President and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and  
voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.  
My commission expires \_\_\_\_\_  
Notary Public.

No. \_\_\_\_\_

**OIL AND GAS LEASE**

FROM \_\_\_\_\_

TO \_\_\_\_\_

Date \_\_\_\_\_ 19\_\_\_\_

Section \_\_\_\_\_ Twp \_\_\_\_\_ Rge \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_ County \_\_\_\_\_

STATE OF KANSAS }  
County of LANE }

This instrument was filed for record on the  
16 day of January, 1996  
at 9:15 o'clock A. M., and duly recorded  
in Book 93 Page 187 of  
the records of this office.  
By Betty Debus Register of Deeds.  
When recorded, return to \_\_\_\_\_

NUMERICAL  
DIRECT  
INDIRECT  
COMP. ORIG.

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged.  
For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)

Before me, the undersigned, a Notary Public, within and for said county and state, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_  
and \_\_\_\_\_

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me  
that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and voluntary act and deed for the uses and purposes therein set forth.  
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires \_\_\_\_\_  
Notary Public.

CATLETT PETROLEUM CORPORATION  
OPERATING AGREEMENT

LEASE NAME (S): SNIDER

LEGAL DESCRIPTION: SE/4, SECTION 4, T17S, R29W, LANE CO., KS.

AGREEMENT DATED this 1st day of October, 2012, between CATLETT PETROLEUM CORPORATION and the undersigned interest owner (s), in consideration of the mutual covenants set forth as follows:

1. CATLETT PETROLEUM CORPORATION, hereinafter called OPERATOR, shall operate and develop the lease referred to above, hereafter "the lease," according to the requirements of law, generally accepted trade standards and customs, and as herein specifically described.
2. OPERATOR is hereby made agent and attorney-in-fact to act for the undersigned and other interest owners with respect to the development, maintenance and operation of said lease; the contracting for and payment of costs incident thereto; sale of production at the prevailing market price; the entering of unitization and pooling agreements; the drilling of additional development wells or plugging and abandonment of wells on the lease, and distribution of surplus equipment and materials as herein provided. OPERATOR shall enter upon and take charge of the lease and, as an independent contractor, using its best judgment under the circumstances, manage, control and operate it and perform any and all acts necessary for the benefit of the undersigned. Except as otherwise provided herein, after the initial well is drilled, no single capital expenditure shall be charged to the development and operation of the lease in excess of the sum of \$20,000.00 without authorization for such expenditure by a majority of the working interest owners.
3. This agreement is binding upon the parties, their heirs, and successors; constitutes a covenant running with the leasehold estate, and shall continue throughout the life of the lease unless modified by mutual agreement. Liability hereunder is several, not joint or collective, and each party is only responsible for operating and development costs proportionate to its share of the working interest.
4. OPERATOR covenants to keep the leasehold property free of the liens or encumbrances arising from operation; to obtain adequate workman's compensation, public liability and property damage insurance coverage for the lease; to prepare governmental reports as required by law; to keep proper books of accounts available to the parties at all reasonable hours; and to use its best judgment and procedures consistent with those of reasonable and prudent operators in similar circumstances. OPERATOR shall not be liable for any loss resulting from errors in judgment or loss or damages caused by defects in material purchased for use on the lease.
5. OPERATOR may sell surplus or salvaged equipment and material to interest owners or others for the joint account of the interest owners and may transfer materials from the lease to its warehouse or other leases at the fair market value thereof upon proper charges recorded in written transfer orders. An interest owner's proportionate share of any and all expense shall be paid within 10 days of the date of the billing statement. It is agreed that in the event any interest owner should fail, neglect or refuse to pay its or his proportionate part of such expenses and charges, then said unpaid bill or portion shall draw interest at the rate of eighteen percent (18%) per annum until paid and the OPERATOR shall have a first lien upon such interest for the amount of said unpaid bill with the right to collect and receive all of the interest owner's income from said land or lease until the said unpaid indebtedness is paid in full.
6. OPERATOR may drill a well or wells on the lease when required by law, or to protect the lease against drainage, or to comply with the implied covenants of the lease, to be known as protective wells. Should it become necessary to drill a protective well, and any of the interest owners do not desire to participate in the drilling and equipping of the protective well, then such party shall assign its interest in sufficient acreage surrounding the protective well according to the spacing pattern then applicable to those desiring to participate in the drilling and equipping of the protective well, and shall thereby be relieved of paying any part of the cost of drilling, equipping, or operating the protective well, such assignment to be made without warranty of title, and to be made on or before the time the protective well has reached a depth of 500 feet. Except for such protective wells, OPERATOR shall not drill any well on the lease without the

consent of the owners of a majority of the working interest in the lease, and if such consent is obtained by OPERATOR, each owner of a working interest shall be liable for the payment of its proportionate share of the cost of drilling, equipping, and operating such well to the same extent as if its consent had been obtained, and OPERATOR shall bill each owner in the manner provided in paragraph 5 hereof.

7. No well shall be abandoned without the consent of a majority of the owners of the working interest. Should OPERATOR desire to abandon any well and any other party does not desire to abandon such well, then such party or parties shall tender to OPERATOR as agent for the owners the fair market salvage value of the material and equipment in and on said well owned by the parties desiring to abandon said well in proportion to their interests. Upon receipt of the money, such other parties shall assign out all their interest in the lease insofar as it covers the abandoned well location.

8. Notices and other mailings are binding upon the party addressed if mailed to the address shown below, or any subsequent address supplied to OPERATOR in writing. No party may sell its interest without first offering it to all other parties at the same price for a period of 10 days after notice is mailed to all other parties at the address last known to OPERATOR stating the offer terms, name and address of prospective buyer.

9. This agreement may be executed in multiple counterparts, in which case the execution of any copy or counterpart by any party shall be binding on that party and on any party executing any other identical counterpart or copy.

PARTIES:  
OPERATOR:

Catlett Petroleum Corporation

By: [Signature]  
Date: 10-1-12

Witness: [Signature]

Non-Operating  
Working Interest Owner(s):

Morgenstern Family Equities, LLC

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Non-Operating  
Working Interest Owner(s):

Lynn Ash

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Todd E. Morgenstern and/or  
Kim L. Morgenstern

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Jack & Velma Beeman Family, LLC

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

V. Michael Morgenstern

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Loa J. Boxberger

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Schultz Family Partnership, LP

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Non-Operating  
Working Interest Owner(s):

Holt Bear Creek, LLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Margret Hughes

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Jillco Properties, LLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Lyon Oil Company

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Shields Equities, Inc.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Richard L. Shields Living Trust DT 7/2/09

By: \_\_\_\_\_

Date: \_\_\_\_\_

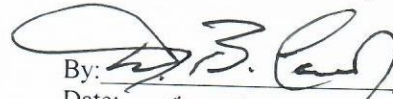
Witness: \_\_\_\_\_


F. Lyon Steadman

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

DC and CC Limited Liability Co.

By:  MEMBER  
Date: 10-1-12

Witness: 



CATLETT PETROLEUM CORPORATION  
OPERATING AGREEMENT

LEASE NAME (S): SNIDER

LEGAL DESCRIPTION: SE/4, SECTION 4, T17S, R29W, LANE CO., KS.

AGREEMENT DATED this 1st day of October, 2012, between CATLETT PETROLEUM CORPORATION and the undersigned interest owner (s), in consideration of the mutual covenants set forth as follows:

1. CATLETT PETROLEUM CORPORATION, hereinafter called OPERATOR, shall operate and develop the lease referred to above, hereafter "the lease," according to the requirements of law, generally accepted trade standards and customs, and as herein specifically described.
2. OPERATOR is hereby made agent and attorney-in-fact to act for the undersigned and other interest owners with respect to the development, maintenance and operation of said lease; the contracting for and payment of costs incident thereto; sale of production at the prevailing market price; the entering of unitization and pooling agreements; the drilling of additional development wells or plugging and abandonment of wells on the lease, and distribution of surplus equipment and materials as herein provided. OPERATOR shall enter upon and take charge of the lease and, as an independent contractor, using its best judgment under the circumstances, manage, control and operate it and perform any and all acts necessary for the benefit of the undersigned. Except as otherwise provided herein, after the initial well is drilled, no single capital expenditure shall be charged to the development and operation of the lease in excess of the sum of \$20,000.00 without authorization for such expenditure by a majority of the working interest owners.
3. This agreement is binding upon the parties, their heirs, and successors; constitutes a covenant running with the leasehold estate, and shall continue throughout the life of the lease unless modified by mutual agreement. Liability hereunder is several, not joint or collective, and each party is only responsible for operating and development costs proportionate to its share of the working interest.
4. OPERATOR covenants to keep the leasehold property free of the liens or encumbrances arising from operation; to obtain adequate workman's compensation, public liability and property damage insurance coverage for the lease; to prepare governmental reports as required by law; to keep proper books of accounts available to the parties at all reasonable hours; and to use its best judgment and procedures consistent with those of reasonable and prudent operators in similar circumstances. OPERATOR shall not be liable for any loss resulting from errors in judgment or loss or damages caused by defects in material purchased for use on the lease.
5. OPERATOR may sell surplus or salvaged equipment and material to interest owners or others for the joint account of the interest owners and may transfer materials from the lease to its warehouse or other leases at the fair market value thereof upon proper charges recorded in written transfer orders. An interest owner's proportionate share of any and all expense shall be paid within 10 days of the date of the billing statement. It is agreed that in the event any interest owner should fail, neglect or refuse to pay its or his proportionate part of such expenses and charges, then said unpaid bill or portion shall draw interest at the rate of eighteen percent (18%) per annum until paid and the OPERATOR shall have a first lien upon such interest for the amount of said unpaid bill with the right to collect and receive all of the interest owner's income from said land or lease until the said unpaid indebtedness is paid in full.
6. OPERATOR may drill a well or wells on the lease when required by law, or to protect the lease against drainage, or to comply with the implied covenants of the lease, to be known as protective wells. Should it become necessary to drill a protective well, and any of the interest owners do not desire to participate in the drilling and equipping of the protective well, then such party shall assign its interest in sufficient acreage surrounding the protective well according to the spacing pattern then applicable to those desiring to participate in the drilling and equipping of the protective well, and shall thereby be relieved of paying any part of the cost of drilling, equipping, or operating the protective well, such assignment to be made without warranty of title, and to be made on or before the time the protective well has reached a depth of 500 feet. Except for such protective wells, OPERATOR shall not drill any well on the lease without the

consent of the owners of a majority of the working interest in the lease, and if such consent is obtained by OPERATOR, each owner of a working interest shall be liable for the payment of its proportionate share of the cost of drilling, equipping, and operating such well to the same extent as if its consent had been obtained, and OPERATOR shall bill each owner in the manner provided in paragraph 5 hereof.

7. No well shall be abandoned without the consent of a majority of the owners of the working interest. Should OPERATOR desire to abandon any well and any other party does not desire to abandon such well, then such party or parties shall tender to OPERATOR as agent for the owners the fair market salvage value of the material and equipment in and on said well owned by the parties desiring to abandon said well in proportion to their interests. Upon receipt of the money, such other parties shall assign out all their interest in the lease insofar as it covers the abandoned well location.

8. Notices and other mailings are binding upon the party addressed if mailed to the address shown below, or any subsequent address supplied to OPERATOR in writing. No party may sell its interest without first offering it to all other parties at the same price for a period of 10 days after notice is mailed to all other parties at the address last known to OPERATOR stating the offer terms, name and address of prospective buyer.

9. This agreement may be executed in multiple counterparts, in which case the execution of any copy or counterpart by any party shall be binding on that party and on any party executing any other identical counterpart or copy.

PARTIES:  
OPERATOR:

Catlett Petroleum Corporation

By: [Signature]  
Date: 10-1-12

Witness: [Signature]

Non-Operating  
Working Interest Owner(s):

Morgenstern Family Equities, LLC

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Non-Operating  
Working Interest Owner(s):

Lynn Ash

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Todd E. Morgenstern and/or  
Kim L. Morgenstern

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Jack & Velma Beeman Family, LLC

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

V. Michael Morgenstern

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Loa J. Boxberger

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Schultz Family Partnership, LP

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Non-Operating  
Working Interest Owner(s):

Holt Bear Creek, LLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Margret Hughes

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Jillco Properties, LLC

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Lyon Oil Company

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Shields Equities, Inc.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Richard L. Shields Living Trust DT 7/2/09

By: \_\_\_\_\_

Date: \_\_\_\_\_

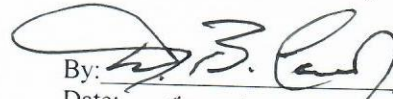
Witness: \_\_\_\_\_

F. Lyon Steadman

\_\_\_\_\_  
Date: \_\_\_\_\_

Witness: \_\_\_\_\_

DC and CC Limited Liability Co.

By:  MEMBER  
Date: 10-1-12

Witness: 

**CATLETT PETROLEUM CORPORATION**

**P. O. Box 9827  
Denver, Colorado 80209  
(303) 882-8696  
Dbcat733@q.com**

February 28, 2018

Todd Koch  
4412 Stone Meadows Court  
Lawrence, KS 66044

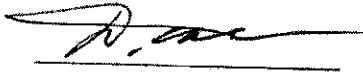
Dear Mr. Koch;

Re. Snider No. 1  
SE/4, Sec. 4, T17S, R29W

Catlett Petroleum has elected to turn over operatorship of subject well to H & B Petroleum Corp., effective 3-1-18. I am also enclosing partially completed form T-1 which is required to be filed with the Kansas Corporation Commission and the surface owner of the Quarter, advising of the change in operatorship.

Please call or email if any questions.

Regards,



D.B. Catlett

CC: C. R. Catlett  
Mike Hammersmith