

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 \_\_\_\_\_

Side Two

Must Be Filed For All Wells

KDOR Lease No.: \_\_\_\_\_

\* Lease Name: \_\_\_\_\_ \* Location: \_\_\_\_\_

Well No.	API No. (YR DRDL/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		<i>Circle</i> FSL/FNL	<i>Circle</i> FEL/FWL		
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
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_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
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_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
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_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____	_____

A separate sheet may be attached if necessary

\* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

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 OF OIL AND GAS LEASES**  
**AND**  
**BILL OF SALE**

STATE OF KANSAS                   §  
  §  
COUNTY OF SUMNER               §

This Assignment of Oil and Gas Leases and Bill of Sale ("Assignment") is entered into by and between **BAYSHORE ENERGY KS LLC**, whose address is 15603 Kuykendahl Road, Suite 200, Houston, Texas 77090 ("ASSIGNOR"), and **ELK ENERGY HOLDINGS LLC** whose address is 10500 E. Berkeley Square Pkwy, Suite 220, Wichita, KS 67206, ("ASSIGNEE"). For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration paid to ASSIGNOR, the receipt and sufficiency of which are hereby acknowledged, ASSIGNOR does hereby GRANT, SELL, CONVEY, ASSIGN, TRANSFER, and DELIVER unto ASSIGNEE all of ASSIGNOR's right, title and interest in and to the following described property, INSOFAR ONLY as they cover the herein described rights, depths and interests owned by the ASSIGNOR in the following described property (such property, rights and interests are hereinafter referred to collectively as "The Property"):

- (a) The oil, gas and mineral lease(s), described in Exhibit "A" attached hereto, INSOFAR ONLY as such oil, gas and mineral lease(s) cover the land described in Exhibit "A" that is allocated to or included in a proration unit or pooled unit established for each well mentioned in Exhibit A-1 as to the depths owned by Seller in such proration units or pooled units, herein referred to as ("the Leases");
- (b) The oil, gas and condensate wells described in Exhibit A-1, herein referred to as (the "Wells");
- (c) The equipment, facilities, flow lines, pipelines, gathering systems, water source, water injection and other injection or disposal wells and systems, well pads, tank batteries, improvements, fixtures, and other personal property on the Leases directly used in operating the Leases or Wells or producing, treating, storing, Hydrocarbons produced from the Leases and Wells;
- (d) To the extent assignable or transferable and INSOFAR ONLY as they are directly related to or are attributable to the Property, the following: pooling and unit agreements, farmout agreements, farmin agreements, operating agreements, and hydrocarbon sales, easements, rights-of-way, licenses and permits, gathering, transportation, treating, marketing, processing and fractionating agreements herein referred to as the ("Related Contracts");
- (e) Copies of the lease files, land files, well files, production records, division order files, title opinions, and contract files used in connection with the Leases and Wells insofar as they are directly related to the Leases or Wells.

**ASSIGNMENT OF OIL AND GAS LEASES**  
**AND**  
**BILL OF SALE**

STATE OF KANSAS                   §  
  §  
COUNTY OF SUMNER           §

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- (a) The oil, gas and mineral lease(s), described in Exhibit "A" attached hereto, INSOFAR ONLY as such oil, gas and mineral lease(s) cover the land described in Exhibit "A" that is allocated to or included in a proration unit or pooled unit established for each well mentioned in Exhibit A-1 as to the depths owned by Seller in such proration units or pooled units, herein referred to as ("the Leases");
- (b) The oil, gas and condensate wells described in Exhibit A-1, herein referred to as (the "Wells");
- (c) The equipment, facilities, flow lines, pipelines, gathering systems, water source, water injection and other injection or disposal wells and systems, well pads, tank batteries, improvements, fixtures, and other personal property on the Leases directly used in operating the Leases or Wells or producing, treating, storing, Hydrocarbons produced from the Leases and Wells;
- (d) To the extent assignable or transferable and INSOFAR ONLY as they are directly related to or are attributable to the Property, the following: pooling and unit agreements, farmout agreements, farmin agreements, operating agreements, and hydrocarbon sales, easements, rights-of-way, licenses and permits, gathering, transportation, treating, marketing, processing and fractionating agreements herein referred to as the ("Related Contracts");
- (e) Copies of the lease files, land files, well files, production records, division order files, title opinions, and contract files used in connection with the Leases and Wells insofar as they are directly related to the Leases or Wells.

The following are excluded from The Property to be conveyed and assigned under this Assignment, such property being herein referred to as the ("Excluded Assets"):

- (a) Any royalty, minerals, overriding royalty, fee interests, and non-operated interests in the properties owned by ASSIGNOR in The Property;
- (b) Seismic, geological, geochemical, or geophysical data (including cores and other physical samples or materials from wells or tests) and Interpretations of seismic, geological, geochemical or geophysical data belonging to ASSIGNOR or licensed from third parties;
- (c) ASSIGNOR's intellectual property used in developing or operating The Property, including, without limitation, proprietary computer software, computer software licensed from third parties, patents, pending patent applications, trade secrets, copyrights, names, marks and logos;
- (d) ASSIGNOR's corporate, financial and tax records, and any other legal files;
- (e) Notwithstanding any other provision of this Agreement to the contrary, any records or information that ASSIGNOR considers proprietary or confidential (including without limitation, employee information, internal valuation data, business plans, reserve reports, transaction proposals and related information and correspondence, business studies, bids and documents protected by any privilege);
- (f) Trade credits and rebates from contractors and vendors, and adjustments or refunds attributable to ASSIGNOR's interest in The Property that relate to any period before the Effective Date, including without limitation, transportation tax credits and refunds, tariff refunds, take-or-pay claims, insurance premium adjustments, and audit adjustments under the Related Contracts;
- (g) Claims of ASSIGNOR for refund of or loss carry forwards with respect to (i) production, windfall profit, severance, ad valorem or any other taxes attributable to any period prior to the Effective Date, (ii) income or franchise taxes and (iii) any taxes attributable to the excluded items described in this Section.
- (h) Deposits, cash, checks in process of collection, cash equivalents, accounts and notes receivable and other funds attributable to any periods before the Effective Date, and security or other deposits made with third parties prior to the Effective Date;
- (i) All proceeds, benefits, income or revenues attributable to periods prior to the Effective Date received in connection (i) with accounts and notes receivable relating to The Property (other than accounts receivable related to joint interest billings under applicable operating agreements) or (ii) any Excluded Asset; (iii) all proceeds for all oil in tanks, lines and separators attributable to the Assets as of the Effective Date

(j) All Claims arising from acts, omissions or events, or damage to or destruction of The Property before the Effective Date, and all rights, titles, claims and interests of ASSIGNOR (i) under any policy or agreement of insurance or indemnity, (ii) under any bond or letter of credit, or (iii) to any insurance or condemnation proceeds or awards; and

(k) Radio towers, remote terminal units, personal computer equipment, vehicles, trucks, tractors, trailers, backhoes, rigs, pulling units, related equipment's, supplies, communication equipment, and photocopy machines, wherever located and (ii) any and all supplies, equipment and property not owned by Assignor located on or used in connection with the Property, including without limitation contractor equipment.

(l) Any and all interests, rights, properties, including surface fee lands, minerals, royalties, overriding royalty interests, and any Leases, Wells or properties owned by Assignor's affiliates.

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

This Assignment is expressly made subject to the following: (a) all of the terms, express and implied, covenants and conditions of The Leases to the extent of the rights hereby transferred, which terms, covenants and conditions ASSIGNEE hereby assumes and agrees to perform with respect to the lands covered hereby; (b) all royalties, overriding royalties, payments out of production or other similar burdens against The Leases; (c) all the terms, conditions and obligations of any instrument to which The Leases may be subject, whether or not of record, which terms, conditions and obligations ASSIGNEE hereby assumes and agrees to perform, (d) all depth limitations in the Leases shown of record.

All proceeds, revenues, monies, and other items included in or attributable to The Property on and prior to the Effective Date shall belong to ASSIGNOR. All proceeds, revenues, monies, and other items included in or attributable to The Property after the Effective Date shall belong to ASSIGNEE.

As soon as practicable after closing, but in any event within 60 days thereafter, ASSIGNOR shall prepare in accordance with this agreement and (where applicable) in accordance with generally accepted accounting principles consistently applied, a final settlement statement setting forth each adjustment or payment which was not finally determined as of the closing date and showing calculation of final settlement amount based on such final statement. The Parties shall agree with respect to amounts due pursuant to such post-closing adjustments not later than 30 days after receipt of final statement. Within two business days upon which such agreement is reached ASSIGNEE shall pay to ASSIGNOR or ASSIGNOR shall pay to ASSIGNEE the net amount due.

All property taxes or ad valorem taxes shall be apportioned and prorated between ASSIGNOR and ASSIGNEE as of the Effective Date. All other taxes shall be paid by ASSIGNEE.

ASSIGNEE shall assume, pay and perform all the obligations, liabilities and duties with respect to The Property, regardless of whether they are attributable to the ownership or operation of The Property before, on, or after the Effective Date ("ASSIGNEE's Assumed Obligations"). ASSIGNEE's Assumed Obligations include without limitation the following:

- (a) Responsibility for payment of all operating expenses and capital expenditures related to The Property;
- (b) Responsibility for performance of all express and implied obligations and covenants under the terms of the Leases, other instruments in the chain of title, the Related Contracts;
- (c) Responsibility for timely production allocations and payment of all royalties, overriding royalties, production payments, net profits obligations, rentals, shut-in payments and other burdens or encumbrances to which The Property is subject;
- (d) Responsibility for proper accounting for and disbursement of production proceeds from The Property, including funds in any suspense accounts;
- (e) Responsibility for compliance with all applicable laws, ordinances, rules and regulations pertaining to The Property, and the procurement and maintenance of all permits required by public authorities in connection with The Property;
- (f) The Plugging and Abandonment Obligations and the Environmental Obligations provided for herein; and
- (g) Responsibility for all obligations with respect to gas production imbalances attributable to The Property.

ASSIGNEE assumes full responsibility and liability for all the plugging, abandonment and restoration obligations related to The Property (the "Plugging and Abandonment Obligations"), regardless of whether they are attributable to the ownership or operation of The Property before, on, or after the Effective Date and regardless of whether resulting from any acts or omissions of ASSIGNOR or whether listed or not listed herein or regardless of the condition of The Property when acquired:

- (a) The necessary and proper plugging, replugging and abandonment of all wells (whether listed or not listed) on The Property, whether plugged and abandoned before, on or after the Effective Date;
- (b) The necessary and proper removal, abandonment, and disposal of all, structures, pipelines, facilities, equipment, abandoned property and junk located on or comprising part of The Property;
- (c) The necessary and proper capping and burying of all flow lines associated with the Wells and comprising part of The Property;



- (d) The necessary and proper restoration of The Property, both surface and subsurface, as may be required by the applicable leases, laws, regulations or contracts;
- (e) Any necessary clean-up or disposal of The Property contaminated by naturally occurring radioactive material ("NORM"), as may be required by applicable laws, regulations or contracts;
- (f) All obligations arising from contractual requirements and demands made by landowners or the courts, authorized regulatory bodies or parties claiming a vested interest in The Property; and
- (g) Obtaining and maintaining all bonds, letters of credit, or supplemental or additional bonds, that may be required contractually or by governmental authorities.

ASSIGNEE shall conduct all plugging, replugging, abandonment, removal, disposal and restoration operations in a good and workmanlike manner and in compliance with all applicable laws and regulations.

ASSIGNEE assumes full responsibility and liability for the following occurrences, events, conditions, and activities on or related to The Property (the "Environmental Obligations"), regardless of whether arising from the ownership or operation of The Property before, on or after the Effective Date, and regardless of whether resulting from any acts or omissions of ASSIGNOR or from the condition of The Property when acquired:

- (a) Environmental pollution or contamination, including pollution or contamination of the soil, groundwater or air by Hydrocarbons, brine, NORM or otherwise;
- (b) Underground injection activities and waste disposal on The Property;
- (c) Landowner demands, clean-up responses and the cost of remediation, control, assessment or compliance with respect to pollution of any surface and subsurface, ponds, creeks, rivers, waterways and lagoons caused by spills, pits, or surface and subsurface storage tanks;
- (d) Failure to comply with applicable land use, surface disturbance, licensing or notification requirements;
- (e) Disposal on The Property or otherwise of any hazardous substances, wastes, materials and products generated by or used in connection with the ownership or operation of The Property before, on or after the Effective Date; and
- (f) Non-compliance with any of the Environmental Laws.

As used in this Assignment, the term "Claims" means any and all losses, liabilities, damages, punitive damages, obligations, expenses, fines, penalties, costs, claims, causes of action

and judgments for: (a) breach of contract; (b) loss or damage to property, injury to or death of persons (including illness and disease), and other tortious injury; and (c) violations of applicable laws, rules, regulations, orders or any other legal right or duty actionable at law or equity. The term "Claims" also includes the attorneys' fees, expert consultant charges, court costs, and other expenses and costs resulting from the investigation, tests, or defense of any Claim.

All indemnities set forth in this Assignment extend to the officers, directors, partners, members, parent, employees, agents, attorneys and all of the affiliates of the party indemnified.

THE INDEMNITY, RELEASE, WAIVER AND ASSUMPTION PROVISIONS SET FORTH IN THIS ASSIGNMENT APPLY REGARDLESS OF WHETHER THE INDEMNIFIED PARTY (OR ITS EMPLOYEES, PARTNERS, MEMEBERS, PARENT, AFFILIATE, AGENTS, CONTRACTORS, SUCCESSORS OR ASSIGNS) CAUSED, IN WHOLE OR PART, AN INDEMNIFIED CLAIM, INCLUDING WITHOUT LIMITATION INDEMNIFIED CLAIMS ARISING OUT OF OR RESULTING, IN WHOLE OR IN PART, FROM, OUT OF OR IN CONNECTION WITH THE CONDITION OF THE PROPERTY OR THE INDEMNIFIED PARTY'S (OR ITS EMPLOYEES', PARTNERS', PARENT'S, MEMBERS, AFFILIATE'S, AGENTS', REPRESENTATIVES', CONTRACTORS', SUCCESSORS' OR ASSIGNS') SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR ANY KIND OF FAULT(S). ASSIGNEE AND ASSIGNOR ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS.

ASSIGNEE SHALL INDEMNIFY, DEFEND AND HOLD ASSIGNOR HARMLESS from and against any and all Claims caused by, resulting from or incidental to:

- (a) ASSIGNEE's Assumed Obligations, including without limitation, the Plugging and Abandonment Obligations and all of the Environmental Obligations and claims;
- (b) Any obligation for brokerage or finder's fees or commissions incurred by ASSIGNEE in connection with its purchase of The Property;
- (c) Any violation by ASSIGNEE of state or federal securities laws, or ASSIGNEE's dealings with its partners, investors, financial institutions, assignees and other third parties in connection with the transaction under this Agreement, or any subsequent sale or other disposition of The Property (or portion thereof) by ASSIGNEE, its affiliates or assignees;
- (d) Any Imbalances associated with The Property; and
- (e) ASSIGNEE's review and inspection of The Property, reports and property files, and any sampling and testing made by ASSIGNEE.

The indemnifying party shall be obligated to defend at the indemnifying party's sole cost and expense any litigation or other administrative or adversarial proceeding against the indemnified party relating to any and all Claims for which the indemnifying party has agreed to indemnify and hold the indemnified party fully harmless under this Assignment. The indemnified

party shall have the right to participate with the indemnifying party in the defense of any such Claim.

ASSIGNEE ACKNOWLEDGES THAT IT HAS BEEN INFORMED THAT OIL AND GAS PRODUCING FORMATIONS CAN CONTAIN NATURALLY OCCURRING RADIOACTIVE MATERIAL. SCALE FORMATION OR SLUDGE DEPOSITS CAN CONCENTRATE LOW LEVELS OF NORM ON EQUIPMENT, MATERIALS AND OTHER PROPERTY. SOME OR ALL OF THE EQUIPMENT, CASING, TUBING, WELLHEADS, MATERIALS, AND OTHER PROPERTY SUBJECT TO THIS ASSIGNMENT MAY HAVE LEVELS OF NORM ABOVE BACKGROUND LEVELS. A HEALTH HAZARD MAY EXIST IN CONNECTION WITH SUCH EQUIPMENT, MATERIALS AND OTHER PROPERTY BY REASON THEREOF. THEREFORE, ASSIGNEE MAY NEED TO FOLLOW SAFETY PROCEDURES WHEN HANDLING SUCH EQUIPMENT, MATERIALS AND OTHER PROPERTY.

ASSIGNEE SHALL NOT BE ENTITLED TO RECOVER FROM ASSIGNOR AND ASSIGNEE RELEASES ASSIGNOR FOREVER FROM, ANY AND ALL LOSSES, COSTS, EXPENSES, OR DAMAGES ARISING UNDER THIS ASSIGNMENT OR IN CONNECTION WITH OR WITH RESPECT TO THIS TRANSACTION OR RELATED TO ANY OF THE ASSIGNOR'S OPERATIONS.

ASSIGNOR IS CONVEYING THE PROPERTY TO ASSIGNEE WITHOUT ANY WARRANTY OF TITLE EXPRESS, IMPLIED OR STATUTORY. ASSIGNOR IS CONVEYING THE PROPERTY TO ASSIGNEE WITHOUT ANY EXPRESS, STATUTORY OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND, INCLUDING ANY WARRANTIES RELATING TO (i) THE CONDITION OR MERCHANTABILITY OF THE PROPERTY, OR (ii) THE FITNESS OF THE PROPERTY FOR A PARTICULAR PURPOSE. ASSIGNEE HAS INSPECTED THE PROPERTY AND ACCEPTS THE PROPERTY "AS IS," "WHERE IS," AND "WITH ALL FAULTS" AND IN ITS PRESENT CONDITION AND STATE OF REPAIR. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNOR MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE, QUALITY, QUANTITY, VOLUME OR DELIVERABILITY OF ANY OIL, GAS OR OTHER MINERALS OR RESERVES (IF ANY) IN, UNDER OR ATTRIBUTABLE TO THE PROPERTY (INCLUDING WITHOUT LIMITATION PRODUCTION RATES, DECLINE RATES, COSTS AND RECOMPLETION OR DRILLING OPPORTUNITIES), (ii) GAS BALANCING OR PAYOUT ACCOUNT INFORMATION, ALLOWABLES, OR ANY OTHER REGULATORY MATTERS, (iii) THE PHYSICAL, OPERATING, REGULATORY COMPLIANCE, SAFETY OR ENVIRONMENTAL CONDITION OF THE PROPERTY, (iv) PROJECTIONS AS TO EVENTS THAT COULD OR COULD NOT OCCUR, or (v) THE GEOLOGICAL OR ENGINEERING CONDITION OF THE PROPERTY OR ANY VALUE THEREOF. **FURTHERMORE, ASSIGNEE ACKNOWLEDGES THAT THIS DISCLAIMER IS CLEAR AND UNAMBIGUOUS AND HAS BEEN BROUGHT TO THE ATTENTION OF ASSIGNEE.**

ASSIGNOR makes no representations or warranties whatsoever and ASSIGNOR **DISCLAIMS AND SHALL HAVE NO LIABILITY OR RESPONSIBILITY FOR ANY**

**REPRESENTATION, WARRANTY, STATEMENTS OR COMMUNICATIONS (ORALLY OR IN WRITING) MADE TO ASSIGNEE (INCLUDING, BUT NOT LIMITED TO, ANY INFORMATION CONTAINED IN ANY OPINION, INFORMATION, OR REPORT OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY EMPLOYEE, OFFICER, DIRECTOR, AGENT, CONSULTANT, ENGINEER OR ENGINEERING FIRM, TRUSTEE, REPRESENTATIVE, PARTNER, MEMBER, BENEFICIARY, STOCKHOLDER OR CONTRACTOR OF ASSIGNOR OR ANY OF ITS AFFILIATES) WHEREVER AND HOWEVER MADE, INCLUDING THOSE MADE IN ANY DATA ROOM, ON ANY WEB SITE OR BY ANY ELECTRONIC COMMUNICATION AND ANY SUPPLEMENTS OR AMENDMENTS THERETO OR DURING ANY NEGOTIATIONS WITH RESPECT TO THIS AGREEMENT OR ANY CONFIDENTIALITY AGREEMENT PREVIOUSLY EXECUTED BY THE PARTIES WITH RESPECT TO THE PROPERTY. ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, OR MATERIALITY OF ANY DATA, INFORMATION OR RECORDS FURNISHED TO ASSIGNEE IN CONNECTION WITH THE PROPERTY OR THE EXHIBITS ATTACHED HERETO. ANY DATA, INFORMATION OR OTHER RECORDS FURNISHED BY ASSIGNOR ARE PROVIDED TO ASSIGNEE AS A CONVENIENCE AND ASSIGNEE'S RELIANCE ON OR USE OF THE SAME IS AT ASSIGNEE'S SOLE RISK AND COST. ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE AND ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE RELATING TO (a) THE CONDITIONS OF THE ASSETS (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), (b) ANY INFRINGEMENT BY ASSIGNOR OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, AND (c) ANY INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR (INCLUDING WITHOUT LIMITATION, WITH RESPECT TO GEOLOGICAL DATA, THE EXISTENCE OR EXTENT OF OIL, GAS OR OTHER MINERAL RESERVES, THE RECOVERABILITY OF OR THE COST OF RECOVERING ANY SUCH RESERVES, THE VALUE OF SUCH RESERVES, ANY PRODUCT PRICING ASSUMPTIONS, AND THE ABILITY TO SELL OIL OR GAS PRODUCTION AFTER CLOSING). THE SALE OF THE WELLS, EQUIPMENT AND FACILITIES HEREUNDER SHALL BE "AS IS, WHERE IS, WITH ALL FAULTS."**

**ASSIGNOR, and any affiliate company disclaims responsible for and shall have no liability for any inaccuracy of any information contained in any reserve reports in connection with The Property prepared by ASSIGNOR, or for ASSIGNOR or Operator by any third party, including without limitation, the number of wells, working interests, net revenue interests, operating expenses, PDP, PDNP, PUD reserves assigned or not assigned, wells drilled or not drilled and completed or not completed at various locations and horizons, completion cost, depth restriction, etc.**

ASSIGNEE hereby agrees that the disclaimers of warranties contained in this Agreement are conspicuous disclaimers for the purpose of any and all applicable law, regulation or order of any kind.

ASSIGNEE represents that it is an experienced and knowledgeable investor in the oil and gas business and that ASSIGNEE is not acquiring The Property for the purpose of resale and distribution in violation of the Securities Act of 1935. ASSIGNEE further represents that in making its decision to purchase The Property, ASSIGNEE has relied solely on its own independent investigation, opinion and judgment.

In the event ASSIGNEE should elect to surrender, let expire, abandon or release all or any part of the rights in The Property, ASSIGNEE shall notify ASSIGNOR not less than sixty (60) days in advance of such surrender, expiration, abandonment or release; and if requested by ASSIGNOR, ASSIGNEE shall immediately reassign said rights in The Property to ASSIGNOR.

In the event ASSIGNEE desires to sell all or any part of the The Property, ASSIGNEE shall promptly give written notice to ASSIGNOR, with full information concerning its proposed disposition, which shall include the name and address of the prospective bonafied transferee (who must be ready, willing and able to purchase), the purchase price, a legal description sufficient to identify the property, and all other terms of the offer. ASSIGNOR shall then have an optional prior right, for a period of sixty (60) days after the notice is delivered, to purchase for the stated consideration on the same terms and conditions the interest which ASSIGNEE proposes to sell.

This Assignment shall be governed by and construed in accordance with the laws of Texas and venue for any dispute and litigation regarding this Agreement shall be in Harris County, Texas.

This Assignment shall be binding upon and inure to the benefit of ASSIGNOR and ASSIGNEE and their respective successors and assigns.

IN WITNESS WHEREOF this Assignment has been executed and delivered this 05 day of JULY 2018, at 7:00 a.m. (the "Effective Date").

ASSIGNOR

**BAYSHORE ENERGY KS LLC**

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

Name:

Vousut Chaudhary

Title:

VP

ASSIGNEE

**ELK ENERGY HOLDINGS LLC**

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

Name:

Thomas P. Kunder

Title:

CEO

ACKNOWLEDGMENTS

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 5<sup>th</sup> day of July, 2018, by Yousaf Chaudhary President of Bayshore Energy KS LLC, on behalf of said company.

My commission expires:

01/26/2020

Cynthia K Brooks  
Notary Public



THE STATE OF Kansas §  
§  
COUNTY OF Sedgwick §

This instrument was acknowledged before me this 21<sup>st</sup> day of June, 2018, by Thomas C. Knowles, President of Elk Energy Holdings LLC, on behalf of said company.

My commission expires:

07/28/2021

Rebecca E Hayes  
Notary Public



EXHIBIT "A"  
LEASES

STATE	COUNTY	LESSOR	LESSEE	DATE	BOOK	PAGE	DESCRIPTION
KS	Sumner	Donald E Schmitz, et ux Dorothy A schmitz	Blue Star Resource, Inc	11/11/83	433	72	South half of the southeast quarter (s1/2 SE 1/4), Section 4; township 35, range 3W and north half of the northeast quarter (n 1/2 NE 1/4) Section 9, township 36, Range 3W, containing 160 acres, Sumner County, Kansas
KS	Sumner	Sophia Hobbiseeffken, Inez Knackstedt, Irvin H Knackstedt	O.R. Reed	8/22/49	O-12	214	insofar as it covers the SW4 of Section 3, township 35 south, Range 3 west Sumner County, Kansas
KS	Sumner	Frederick A Hudson, Grace Hudson	O.R. Reed	8/17/49	O-12	213	covers the NW4 of Section 10, township 35 south, range 3 west, Sumner County
KS	Sumner	Marion L Metzinger, Virginia L Metzinger (H&W)	Blue Star Resources, Inc.	Nov-83	433	268	Section 4, township 35, range 3 west containing 40 acres more or less
KS	Sumner	F.G. Hudson	Edwin O Roberts	11/1/84	450	425	covering the S1/2 NW1/4 of Section 22, township 34 south, range 3 west, Sumner County, Kansas comprised of 80 acres
KS	Sumner	Clarence E Schmidt, Patricia M Schmidt, SWD Lease	Sid Thomlinson	8/15/85	459	176	covering the NE1/4 of section 22, township 34 south, range 3 west, Sumner County Kansas



**Exhibit A-1- Wells****Fall Creek Lease**

Lease Name	Well #	County	State	API Number	Type	Status	Sec	Location
HOBBISIEFKEN	2-1	Sumner	KS	15-191-00366-0001	GAS	PR	3	1650 FSL & 1580 FWL
HOBBISIEFKEN	2-2	Sumner	KS	15-191-10221-0002	GAS	PR	3	890 FSL & 890 FWL
HOBBISIEFKEN	2-4	Sumner	KS	15-191-10222-0002	GAS	PR	3	330 FSL & 330 FWL
HOBBISIEFKIN	2-5	Sumner	KS	15-191-60004-0000	GAS	PR	3	1650 FSL & 330 FWL
HOBBISIEFKEN	2-6	Sumner	KS	15-191-10220-0003	EOR	AI	3	322 FSL & 3688 FEL
HOBBISIEFKEN	2-7	Sumner	KS	15-191-10219-0003	EOR	IN	3	900 FSL & 2970 FEL
HOBBISIEFKEN	2-9	Sumner	KS	15-191-22317-0000	GAS	PR	3	694 FSL & 1195 FWL
HOBBISIEFKEN	2-11	Sumner	KS	15-191-22651-0000	OIL	PR	3	2270 FSL & 1315 FWL
HUDSON	4-1	Sumner	KS	15-191-10240-0001	GAS	PR	10	330 FSL & 330 FWL
HUDSON	4-2	Sumner	KS	15-191-10243-0004	EOR	IN	10	4950 FSL & 3630 FEL
HUDSON	4-3	Sumner	KS	15-191-10242-0002	GAS	PR	10	4290 FSL & 2950 FEL
METZINGER	1-1	Sumner	KS	15-191-47320-0001	GAS	PR	4	1650 FSL & 330 FEL
SCHMIDTZ	3-2	Sumner	KS	15-191-19034-0000	GAS	PR	4	1020 FSL & 390 FEL
SCHMIDTZ	3-1	Sumner	KS	15-191-10232-0001	GAS	PR	9	330 FNL & 330 FEL

**Subera Lease**

Lease Name	Well #	County	State	API Number	Type	Status	Sec	Location
HUDSON	2-22	Sumner	KS	15-191-01027-0001	GAS	PR	22	1750 FNL & 1650 FWL
SCHMIDT	1	Sumner	KS	15-191-22253-0000	SWD	IN	22	4621 FSL & 2687 FEL