KOLAR Document ID: 1417743

### 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:	ttea with this form.
Oil Lease: No. of Oil Wells**	Effective Date of Transfer:
Gas Lease: No. of Gas Wells**	KS Dept of Revenue Lease No.:
Gas Gathering System:	Lease Name:
Saltwater Disposal Well - Permit No.:	
Spot Location: feet from N / S Line	SecTwp R EW Legal Description of Lease:
feet from E / W Line	
Enhanced Recovery Project Permit No.:	
Entire Project: Yes No	County:
Number of Injection Wells **	Production Zone(s):
Field Name:	
** Side Two Must Be Completed.	Injection Zone(s):
Surface Pit Permit No.:	feet from N / S Line of Section
(API No. if Drill Pit, WO or Haul)	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:
Table operator o Hamo a Address.	
	Date:
Title:	Signature:
New Operator's License No.	Contact Person:
New Operator's Name & Address:	Phone:
The special of the second seco	
	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	is acknowledged as
the new operator and may continue to inject fluids as authorized by	the new operator of the above named lease containing the surface pit
Permit No.: Recommended action:	
. neconinencea action.	permitted by No.:
Data	Data
Date: Authorized Signature	Date:
DISTRICT EPR	PRODUCTION UIC

KOLAR Document ID: 1417743

#### Side Two

#### Must Be Filed For All Wells

KDOR Lease	No.:		_		
* Lease Name:			* Location:		
Well No.	API No. (YR DRLD/PRE '67)	Footage from Secti (i.e. FSL = Feet from S		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		Circle FSL/FNL	Circle 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		
		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		
		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		

A separate sheet may be attached if necessary

<sup>\*</sup> 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.

KOLAR Document ID: 1417743

#### Kansas Corporation Commission Oil & Gas Conservation Division

Form KSONA-1
July 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

# 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 (C	athodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R East
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Contact Person: Fax: ( )	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	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
Address 2:	county, and in the real estate property tax records of the county treasurer.
City: State: Zip:+	
the KCC with a plat showing the predicted locations of lease roads, tank	lic Protection Borehole Intent), you must supply the surface owners and batteries, pipelines, and electrical lines. The locations shown on the plat the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
owner(s) of the land upon which the subject well is or will be lo	ct (House Bill 2032), I have provided the following to the surface cated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form eing filed is a Form C-1 or Form CB-1, the plat(s) required by this ad email address.
KCC will be required to send this information to the surface own	eknowledge that, because I have not provided this information, the ner(s). To mitigate the additional cost of the KCC performing this of the surface owner by filling out the top section of this form and CC, which is enclosed with this form.
If choosing the second option, submit payment of the \$30.00 handling to form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1	fee with this form. If the fee is not received with this form, the KSONA-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:

13727 Noel Road, Suite 500 Dallas, TX 75240 Ph. 972.628.1647 Fax 972.628.1947

July 25, 2018

#### VIA CMRRR and EMAIL to kyle@edisonopco.com

EDISON OPERATING COMPANY, LLC ATTN: KYLE GRIFFIN 8100 East 22<sup>nd</sup> Street North Building 1900 Wichita, Kansas 67226

Re: NK #44-17 Saltwater Disposal Well

Dear Mr. Griffin:

When fully executed below, this letter ("Letter Agreement") shall serve as an agreement between Edison Operating Company, LLC, whose address is 8100 East 22<sup>nd</sup> Street North, Building 1900, Wichita, KS 67226 ("Edison"), and Merit Hugoton, L.P., whose address is 13727 Noel Road, Suite 1200, Dallas, Texas 75240 ("Merit"). Merit and Edison may be referred to individually as a "Party," or collectively as the "Parties." For the sum of FIVE THOUSAND DOLLARS AND NO/100 (\$5,000.00) (the "Purchase Price"), Merit agrees to GRANT, SELL, CONVEY and ASSIGN that certain oil and gas property described on Exhibit A hereto (the "Property"), subject to the following terms and conditions:

#### 1. Assignment.

- (a) Merit shall assign, convey and sell to Edison all of Merit's right, title and interest in and unto the NK #44-17 saltwater disposal well, API# 15-175-20722-00 and associated saltwater disposal well agreement, as more particularly described in Exhibit A.
- (b) Edison shall convey, as good and valuable consideration for the foregoing assignment of the NK #44-17 saltwater disposal well, the Purchase Price made payable to Merit Energy Company, LLC.
- 2. <u>Operations</u>. Merit Energy Company, LLC, operates the Property on behalf of Edison. As a condition to closing, Merit Energy Company, LLC, will file a Transfer of Operator form with the Kansas Corporation Commission as to the NK #44-17 saltwater disposal well, thus appointing Edison Operating Company, LLC as successor operator of the NK #44-17 saltwater disposal well as of the Effective Date.

- 3. <u>Closing</u>. Unless otherwise agreed by the parties in writing, the date of closing of this sale shall take place electronically on or before the Effective Date, subject to the following conditions:
  - (a) Edison and Merit shall execute three copies of the Assignment, Conveyance and Bill of Sale in the form shown in <u>Exhibit A</u> attached hereto (the "Assignment"), and the Parties shall further execute such other documentation as is necessary to accomplish the intent of this Letter Agreement;
  - (b) To the extent practicable, Merit shall deliver to Edison all original files, all valid and subsiting agreements and records (including but not limited to seismic and geologic and other maps) relating to the NK #44-17 saltwater disposal well no later than fifteen (15) days after the Effective Date, unless instructed otherwise by Edison;
  - (c) Edison shall deliver to Merit an amount equal to the Purchase Price on or before the Effective Date, subject to the terms of Section 1(b);
  - (e) Merit shall deliver to Edison the Transfer of Operator form executed by Merit Energy Company, LLC, as described in <u>Section 2</u> in this Letter Agreement for the NK #44-17 saltwater disposal well; and,
  - (f) Merit agrees to deliver to Edison any other documents, instruments or writings necessary to accomplish the intent of this Letter Agreement.
- 4. <u>Edison's Representations</u>. Edison represents and warrants to Merit as of the date hereof and as of the Effective Date that:
  - (a) Edison is a Kansas limited liability company, validly existing and in good standing.
  - (b) Edison has the requisite authority to execute and deliver this Letter Agreement and to consummate the transactions contemplated hereby, and to the extent necessary, to cause its affiliates to execute the Assignment to give effect to this Letter Agreement. This Letter Agreement has been duly executed and delivered by Edison and shall constitute, legal, valid and binding obligations of Edison, and is enforceable against Edison in accordance with their respective terms.
- 5. <u>Merit's Representations</u>. Merit represents and warrants to Edison as of the date hereof and as of the Effective Date that:
  - (a) Merit is a Delaware limited partnership, validly existing and in good standing.
  - (b) Merit has the requisite authority to execute and deliver this Letter Agreement and to consummate the transactions contemplated hereby, and to the extent necessary, to cause its affiliates to execute the Assignment to give effect to

this Letter Agreement. This Letter Agreement has been duly executed and delivered by Merit and shall constitute, legal, valid and binding obligations of Merit, and is enforceable against Merit in accordance with their respective terms.

#### 6. Miscellaneous.

- (a) <u>Governing Law</u>. This Letter Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its principles of conflicts of laws.
- (b) <u>Binding Effect; Assignment</u>. All the terms, provisions, covenants, representations, and conditions of this Letter Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors; provided, however, this Letter Agreement or any portion thereof and the rights and obligations hereunder shall not be assignable or delegable by any party without the express prior written consent of the non-assigning or non-delegating party.
- (c) Entire Agreement. This Letter Agreement supersedes all prior agreements between the parties (written or oral) and is intended as a complete and exclusive statement of the terms of the agreement between the parties. This Letter Agreement may be amended only by a written instrument duly executed by the parties.

If this Letter Agreement sets forth the Parties understanding, please execute below, whereupon this Letter Agreement shall become a valid and binding contract between the Parties as of July 31, 2018 (the "Effective Date").

Regards,

#### MERIT HUGOTON, L.P.

By: Merit Management Partners GP, LLC, its General Partner
By: Kathryn Lyles, Assistant Secretary

ACCEPTED AND AGREED TO this 3 day of August, 2018:

EDISON OPERATING COMPANY, LLC

Name: David G. Withrow
Title: Managing Member

this Letter Agreement. This Letter Agreement has been duly executed and delivered by Merit and shall constitute, legal, valid and binding obligations of Merit, and is enforceable against Merit in accordance with their respective terms.

#### 6. Miscellaneous.

- (a) <u>Governing Law</u>. This Letter Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its principles of conflicts of laws.
- (b) <u>Binding Effect; Assignment</u>. All the terms, provisions, covenants, representations, and conditions of this Letter Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors; provided, however, this Letter Agreement or any portion thereof and the rights and obligations hereunder shall not be assignable or delegable by any party without the express prior written consent of the non-assigning or non-delegating party.
- (c) <u>Entire Agreement</u>. This Letter Agreement supersedes all prior agreements between the parties (written or oral) and is intended as a complete and exclusive statement of the terms of the agreement between the parties. This Letter Agreement may be amended only by a written instrument duly executed by the parties.

If this Letter Agreement sets forth the Parties understanding, please execute below, whereupon this Letter Agreement shall become a valid and binding contract between the Parties as of July 31, 2018 (the "*Effective Date*").

Regards,

#### MERIT HUGOTON, L.P.

		By: Merit Management Partners GP, LLC, its General Partner
		By: Kathryn Lyles Assistant Secretary
ACCEPTED AND AGREED TO this	day of	, 2018:

EDISON OPERATING COMPANY, LLC

Ву:		
Name:	David G. Withrow	
Title:	Managing Member	

#### **EXHIBIT A**

### to that certain Letter Agreement, by and between Edison Operating Company, LLC, and Merit Hugoton, L.P., dated effective August 1, 2018

#### ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF KANSAS §

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF SEWARD §

Merit Hugoton, L.P., ("Assignor"), for for TEN DOLLARS AND 00/100 (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, subject to the reservations, exceptions and terms and conditions contained herein, does hereby BARGAIN, SELL, TRANSFER, ASSIGN and CONVEY (hereinafter, this "Assignment") unto Edison Operating Company, LLC ("Assignee"), its successors and assigns all of Assignor's right, title and interest to the NK #44-17 saltwater disposal well, as more particularly described on Exhibit A hereto (the "Well") and associated saltwater disposal agreement dated October 1, 1987, as more particularly described on Exhibit A hereto (the "Agreement").

ASSIGNEE HEREBY AGREES TO INDEMNIFY, DEFEND, RELEASE, AND HOLD HARMLESS ASSIGNOR, ASSIGNOR'S AFFILIATES, ASSIGNOR'S PREDECESSORS-IN-INTEREST, AND EACH OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (COLLECTIVELY, THE "ASSIGNOR INDEMNIFIED PARTIES"), FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, CLAIMS, DEMANDS, CAUSES OF ACTION, LIABILITIES OR DAMAGES OF EVERY KIND AND CHARACTER ("CLAIMS") ARISING OUT OF OR RELATED TO THE OWNERSHIP OR OPERATION OF THE WELL THAT ARISES PRIOR TO, ON, OR AFTER THE EFFECTIVE DATE.

ASSIGNEE SHALL FURTHER INDEMNIFY, DEFEND, RELEASE, AND HOLD HARMLESS THE ASSIGNOR INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS (INCLUDING WITHOUT LIMITATION, CLEANUP AND RESTORATION AND CLAIMS FROM GOVERNMENTAL ENTITIES OR OTHERS FOR REMEDIAL ACTION, CLEANUP, RESPONSE COSTS OR THE LIKE DUE TO THE EXISTENCE OF NATURALLY OCCURING RADIOACTIVE MATERIAL ("NORM")) FOR INJURY, ILLNESS, DEATH OF ANY PERSON(S) OR FOR DAMAGE, LOSS, POLLUTION OR CONTAMINATION OF ANY REAL OR PERSONAL PROPERTY, GROUND WATER OR THE ENVIRONMENT, INCLUDING WITHOUT LIMITATION, ANY SUCH CLAIMS ARISING UNDER ANY ENVIRONMENTAL LAW, REGARDLESS OF WHETHER SUCH CLAIMS RESULT FROM ANY CONDITIONS, EVENTS, ACTIONS, OR INACTIONS ARISING, OCCURING OR ACCRUING PRIOR TO, ON OR AFTER THE EFFECTIVE DATE.

THIS ASSIGNMENT IS MADE WITHOUT REPRESENTATION OR

WARRANTY OF TITLE OF ANY KIND, except that Assignor, for itself and its successors and assigns does represent and covenant to Assignee that it has not sold, transferred, mortgaged, encumbered or otherwise conveyed any of its interest in and to the Well, in whole or in part. Except for the special limited warranty of title herein provided, the Well conveyed hereunder is without recourse, covenant, or warranty of any kind, express, implied or statutory.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNOR EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE WELL, (II) THE QUANTITY, QUALITY OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM THE WELL, (III) ANY ESTIMATES OF THE VALUE OF THE WELL, FUTURE REVENUES GENERATED BY THE WELL OR FUTURE COSTS ASSOCIATED WITH THE WELL, (IV) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE WELL, (V) ANY MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE OR COMMUNICATED TO ASSIGNEE OR ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED  $\mathbf{BY}$ ASSIGNMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO. AND FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, OR IMPLIED, OF STATUTORY MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY EQUIPMENT, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT ASSIGNEE IS DEEMED TO BE OBTAINING THE WELL IN ITS PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS AND THAT ASSIGNEE HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS ASSIGNEE DEEMS APPROPRIATE.

ASSIGNOR HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, ENVIRONMENTAL LIABILITIES, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE WELL SITE, AND NOTHING IN THIS ASSIGNMENT OR OTHERWISE WILL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY, AND ASSIGNEE IS DEEMED TO BE TAKING THE WELL AND WELL SITE "AS IS" AND "WHERE IS" FOR PURPOSES OF ITS ENVIRONMENTAL CONDITION.

This Assignment and all of its exceptions, terms and conditions are binding upon and shall inure to the benefit of Assignor, Assignee and each of their heirs, successors and assigns.

Except as specifically provided herein, all notices relating to this Assignment shall be delivered to the recipient at the following address:

Assignor: Merit Hugoton, L.P.

Assignee:

Edison Operating Company

8100 East 22<sup>nd</sup> Street North

Building 1900

Wichita, Kansas 67226

or to such other address as a party may from time to time designate in writing.

Assignee shall record this Assignment in each county and state in which the Well is located for the purposes of providing notice to all persons of the existence and burden of this Assignment.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment to be effective as of July 31, 2018 (the "*Effective Date*").

#### **ASSIGNOR:**

#### MERIT HUGOTON, L.P.

By: Merit Management Partners GP, LLC, its General Partner

By: Kathuu Kull secretary

Kathryn Lyles, Assistant Secretary

#### ASSIGNEE:

EDISON OPERATING COMPANY, LLC

By:	
Name: David G. Withrow	
Title: Managing Member	

Assignor:

Merit Hugoton, L.P.

13727 Noel Road, Suite 1200

Dallas TX 75240

Assignee:

Edison Operating Company

8100 East 22<sup>nd</sup> Street North

Building 1900

Wichita, Kansas 67226

or to such other address as a party may from time to time designate in writing.

Assignee shall record this Assignment in each county and state in which the Well is located for the purposes of providing notice to all persons of the existence and burden of this Assignment.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment to be effective as of July 31, 2018 (the "Effective Date").

#### **ASSIGNOR:**

#### MERIT HUGOTON, L.P.

By: l	Merit Management Partners	GP,	LLC,
its G	eneral Partner		
By:			
	Kathryn Lyles, Assistant Se	creta	ry

#### ASSIGNEE:

EDISON OPERATING COMPANY, LLC

Name: David G. Withrow
Title: Managing Member

### **ACKNOWLEDGEMENTS**

STATE OF TEXAS §	
COUNTY OF DALLAS §	
	acknowledged before me on this day of des, Assistant Secretary of Merit Management Partners mpany, in its capacity as the direct or indirect general Notary Rublic, State of Texas
STATE OF KANSAS §	
COUNTY OF SEDGWICK §	
, 2018, by David G.	acknowledged before me on this day of Withrow, Managing Member of Edison Operating company, on behalf of said limited liability company.
	Notary Public, State of Kansas

### **ACKNOWLEDGEMENTS**

STATE OF TEXAS	§ §			
COUNTY OF DALLAS	§ §			
	y Kathryn Lyles, A ed liability compa	Assistant Secretary	of Merit Management as the direct or indirect	nt Partners
		Notary Publi	c, State of Texas	31-2-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1
STATE OF KANSAS	8			
COUNTY OF SEDGWICK	\$ \$ 2. \$			
The foregoing ins  August , 2018, Company, LLC, a Kansas li	by David G. Wi	throw, Managing npany, on behalf of	Member of Edison Said limited liability of Edison Said Said Said Said Said Said Said Said	Operating
DEREK W. PATTE My Appointment		Notary Publi	c, State of Kansas	

#### **EXHIBIT A**

## to that certain Assignment, Conveyance and Bill of Sale, by and between Edison Operating Company, LLC, and Merit Hugoton, L.P., dated effective August 1, 2018

#### WELL:

	API	Location	Section	Township	Range
NK #44-17	15-175-20722-001	SE SE	17	32 South	32 West

#### **AGREEMENT:**

Saltwater Disposal Well Agreement dated October 1, 1987 by and between the Georgia P. Alexander Estate as Grantor, and Ensign Operating Co., as Grantee covering the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) in Section 17, Township 32 South, Range 32 West, Seward County, Kansas and recorded in book 388 at page 702 in the records of Seward County, Kansas.