

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
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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: _____

STATE OF KANSAS

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COUNTIES OF CHASE
AND HARVEY

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ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this “Assignment”) executed by **American Nitrogen Rejection, LLC**, a Minnesota limited liability company, whose address is 2501 Rosegate, St. Paul, Minnesota 55113 (hereinafter referred to as “Assignor”), to **3K Gas Producers, LLC**, a Kansas limited liability company, whose address is 906 E. Trapp Street, Herington, Kansas 67449 (hereinafter referred to as “Assignee”), is dated effective at 7:00 a.m., Central Standard Time, on August 4, 2018 (said hour and day being hereinafter called the “Effective Time”).

ARTICLE I

Conveyance and Reservation

Section 1.1. Assignor, for Ten and No/100 Dollars (\$10.00) (the “Purchase Price”) and other good and valuable consideration in hand paid by Assignee, the receipt and sufficiency of which consideration are hereby acknowledged and confessed, by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER and DELIVER unto Assignee, and Assignee hereby purchases, accepts and assumes, all of Assignor’s right, title and interest in and to the following described properties:

(a) the oil and gas leases described in Exhibit A attached hereto (and any ratifications, extensions, renewals and amendments thereof, whether or not the same are described in Exhibit A) and without limitation of the foregoing, all other right, title and interest (of whatever kind or character, whether legal or equitable, and whether vested or contingent) of Assignor in and to the lands described on Exhibit A attached hereto or covered by such leases (including, without limitation, interests in oil, gas and/or mineral leases, overriding royalties, production payments, net profits interests, fee mineral interests, fee royalty interests and other interests insofar as they cover such lands), even though Assignor's interest therein may be incorrectly described in, or omitted from, such Exhibit A (the “Leases”);

(b) all of the oil and gas wells, water, CO2, disposal or injection wells listed on Exhibit B attached hereto (whether or not located on the lands covered by the Leases), in each case, whether producing, shut-in, plugged or abandoned (collectively, the “Wells”);

(c) all agreements and contracts, whether or not recorded in the public records of Chase or Harvey Counties, Kansas, to which Assignor is a party or in which Assignor otherwise holds an interest and (i) by which any of the assets and properties described in this Section 1.1 are bound or (ii) that primarily relate to the assets and properties described in this Section 1.1 or the operations with respect thereto, including salt water disposal agreements, water sourcing

agreements, road use agreements, subsurface easements, farmin agreements, farmout agreements, operating agreements, hydrocarbon purchase, sale, compression, transportation, treating, marketing, exchange, processing and fractionating agreements (and any ratifications, extensions, renewals, and amendments thereof, whether or not the same are described in Exhibit C) as set forth on Exhibit C attached hereto (collectively, the “Companion Agreements”);

(d) all rights, titles and interests of Assignor in and to all materials, supplies, improvements and other personal property, fixtures flowlines, pipelines, tanks, buildings, saltwater disposal facilities, injection facilities, compression facilities, gathering systems, including, but not limited to, the gathering system described on Exhibit D attached hereto (the “Elmdale System”) with all other equipment, machinery, fixtures, linefill, inventory and supplies and other real, personal and mixed property, operational or nonoperational, used or held for use in connection with the Elmdale System, including, but not limited to all tubing, pumps, spare parts, valves, meters, motors, compression equipment, scrubbers, dehydration units, tanks, cathodic protection units, processing and separation facilities, and other equipment (collectively, “Equipment”), located on the lands described on Exhibit A attached hereto or covered by the Leases or used or held for use in connection with the exploration, development, operation or maintenance of the properties described in Section 1.1(a) or 1.1(b) above, but in each case only to the extent the foregoing are applicable to the properties described in Section 1.1(a) or 1.1(b) above and not the Excluded Assets;

(e) all rights, titles and interests of Assignor in and to all permits and licenses (including, without limitation, all environmental and other governmental permits, licenses and authorizations), rights of way, easements, and other rights of surface use and water rights used or held for use in connection with the exploration, development, operation or maintenance of the properties described in Section 1.1(a) above and all Equipment located on such rights of way, easements and surface rights.

The properties, rights and interests described in Sections 1.1(a) through 1.1(e) above are herein sometimes called the “Assets”.

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns, forever, subject, however, to the matters set forth herein.

Section 1.2. Notwithstanding Section 1.1, the Assets shall not include, and there is excepted, reserved and excluded from the transactions contemplated hereby, the following: (u) the assets or properties described on Schedule I, (v) Assignor’s permits, bonds, licenses or authorizations used in the conduct of Assignor’s business generally or any insurance (or the proceeds therefrom) of Assignor; (w) any software, trademarks, patents, trade names and similar intellectual property of Assignor or its affiliates, and computers, software and other information technology; (x) any tools, goods, inventory, warehouse stock, equipment, personal property, fixtures and materials of Assignor located off the premises of the lands described on Exhibit A; (y) any trade credits, all accounts, receivables, rights, refunds, claims, causes of action, and other proceeds, income and revenues attributable to the Assets with respect to any period of time prior to the Effective Time (except to the extent the same are with respect to Assumed Obligations); and (z) all offices and office leases, phones, office supplies, furniture, hardware, fixtures,

equipment and related personal effects located in such offices (collectively, the “Excluded Assets”).

ARTICLE II

Apportionment of Liabilities and Obligations

Section 2.1. Apportionment of Liabilities and Obligations. Assignee shall assume, pay for, perform and discharge all liabilities, obligations and other Damages associated with or arising in connection with the Assets, whether arising prior to, at or after the Effective Time, including any liabilities, obligations or other Damages associated with or arising in connection with: (a) payments or deductions of royalties, overriding royalties, non-participating royalties, or other burdens on production with respect to the Assets, (b) any laws or regulations applicable to the Assets, including the plugging and abandonment of Wells and the removal and dismantling of the facilities and the Equipment and the restoration of the surface or subsurface of the land and cleanup and disposal of any equipment or materials contaminated with NORM or asbestos, (c) the costs or obligations applicable to or imposed under the Leases or any Companion Agreement, (d) the ownership or operation of any Asset and (e) any environmental liability with respect to, or liability relating to the environmental condition of, the Assets or their compliance with environmental laws (collectively, the “Assumed Obligations”), except as otherwise owed by Assignor under Section 2.2(a) or Section 3.1.

Section 2.2. Indemnification. From and after the Effective Time and subject to this Section 2.2, (a) Assignor shall defend, indemnify, and hold harmless Assignee and its affiliates, including the equityholders, directors, officers, employees, agents, and representatives of each of them from and against any liabilities, losses, claims, damages, costs and expenses (including reasonable attorneys’ fees) (collectively, “Damages”) arising in connection with (i) any personal injury or death occurring with respect to the operation of the Assets prior to the Effective Time or any litigation with respect to the ownership or operation of the Assets filed prior to the Effective Time, (ii) any breach by Assignor of its representations or warranty in Section 3.2, and (iii) any breach by Assignor of its agreements and covenants in this Assignment, and (b) Assignee shall defend, indemnify, and hold harmless Assignor and its affiliates, and the equityholders, directors, officers, employees, agents and representatives of each of them, from and against any Damages arising in connection with (i) any Assumed Obligation, (ii) any breach by Assignee of its representations or warranties in Section 3.2 or (iii) any breach by Assignee of its agreements and covenants in this Assignment. Except for a breach of Section 3.1, the indemnification, defense and hold harmless obligations under this Section 2.2 shall be the sole and exclusive remedy of either Assignor or Assignee in connection with this Assignment or any Asset, and, except for the indemnification, defense and hold harmless obligations under this Section 2.2 of Assignor or Assignee, or Assignor’s obligations under Section 3.1, each party hereby releases, acquits and discharges the other party, its affiliates and its and their respective equityholders, directors, officers, employees, agents and representations from any Damage arising in connection with this Assignment or any Asset, including any claim for title, environmental or any other Damage arising in connection with any Asset or this Assignment, regardless of cause and whether arising at law, in contract, in equity or otherwise. Neither party shall have any liability under this Assignment for any consequential, special, exemplary or punitive damage arising in connection with this Assignment; provided, however, that this

sentence shall not limit any third-party claim that is subject to any indemnification, defense or hold harmless obligation in this Section 2.2. Each of Assignor and Assignee shall use commercially reasonable efforts to mitigate its Damages under this Section 2.2 or Section 3.1. Any such Damages shall be reduced by (x) any insurance proceeds actually received by the party asserting such Damages as a result of the events giving rise to such Damages (net of any reasonable third-party expenses related to the receipt of such proceeds or increase in insurance premiums as a result thereof) and (y) any recovery by such party from any person or entity with respect to such Damages (excluding any intra-company contributions or loans and net of any reasonable third-party expenses related to the receipt of such recovery). The representation, warranties, covenants and agreements under this Assignment shall survive the execution of this Assignment; provided, however, that Sections 2.2(a)(i), 3.1 and 4.1 shall automatically terminate upon the expiration of two years after the Effective Time. Notwithstanding anything to the contrary in this Assignment, Assignor's aggregate liability arising in connection with this Assignment shall not exceed the Purchase Price. This Section 2.2 shall apply to any Damage regardless of cause and whether arising at law, in contract, in equity or otherwise and even if such Damage is caused by the **SOLE, JOINT OR CONTRIBUTORY NEGLIGENCE, GROSS NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF THE PERSON OR ENTITY BEING RELEASED, DISCHARGED, ACQUITTED, INDEMNIFIED, DEFENDED OR HELD HARMLESS OR WHOSE LIABILITY IS OTHERWISE LIMITED HEREBY.**

ARTICLE III Representations and Warranties

Section 3.1. Warranty of Title. Assignor does hereby bind itself to warrant and forever defend, all and singular, title to the Leases unto Assignee against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise, except for and subject to any Permitted Encumbrance and Section 2.2. "Permitted Encumbrance" means (a) any third-party consent and preferential right requirements and similar restrictions; (b) any liens for current taxes or assessments not yet delinquent; (c) any materialman's, mechanic's, repairman's, employee's, contractor's, operator's and other similar liens or charges arising in the ordinary course of business for amounts not yet delinquent; (d) any rights to consent, required notices to, filings with, or other actions by governmental bodies in connection with the sale or conveyance of the Assets if they are not required prior to the sale or conveyance thereof or are of a type customarily obtained thereafter; (e) any rights of reassignment normally arising upon final intention to abandon or release all or any part of the Assets; (f) any easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations to the extent that they do not, individually or in the aggregate, materially interfere with the ownership and operation of the Assets; (g) any terms of the Companion Agreements or the Leases or any other Asset; (h) any rights reserved to or vested in any governmental authority to control or regulate any Asset and all obligations under all applicable laws, rules and orders of any such governmental authority or under any franchise, grant, license or permit issued by any such governmental authority; (i) defects based on the failure to record a state or federal lease, or any assignments of record title or operating rights in such lease, in the real property, conveyance or other records of the county in which such lease is located, unless a gap in Assignor's chain of title is affirmatively shown to exist in such records

by an abstract of title, title opinion or landman's title chain, and (j) any liens, charges, encumbrances, defects or irregularities that are immaterial or are of a nature customarily accepted by prudent purchasers of oil and gas properties or that are of record.

Section 3.2. General Representations. Each party represents and warrants to the other party, as of the Effective Time, that (a) such party is a limited liability company duly formed, validity existing and in good standing under the laws of their respective domiciles, Minnesota and Kansas, (b) such party has the requisite limited liability company power and authority to execute and deliver, and perform its obligations under, this Assignment, and (c) this Assignment has been duly executed and delivered by such party and is a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law and except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws of general application affecting enforcement of creditors' rights generally. Assignee represents and warrants to Assignor, as of the Effective Time, that (y) Assignee is an experienced and knowledgeable investor in the oil and gas business and is sophisticated in the evaluation, purchase, ownership, and operation of oil and gas properties and is not acquiring the Assets in connection with a distribution or resale thereof in violation of federal or state securities laws and (z) Assignee has been afforded an opportunity to examine, investigate and discuss the Assets and such documents, instruments, and other materials as it has requested and has relied solely on the express representations and warranties of Assignee in this Assignment, its independent investigation of, and judgment with respect to, the Assets, and not on any comments or statements of, or documents furnished by or on behalf of, Assignee or its affiliates, or any representatives or agents of, or consultants or advisors engaged by, Assignee or its affiliates.

Section 3.3. Waivers. EXCEPT FOR THE SPECIAL WARRANTY IN SECTION 3.1 AND AS SET FORTH IN SECTION 3.2, ASSIGNOR MAKES NO REPRESENTATION OR WARRANTY (WHETHER STATUTORY, EXPRESS, IMPLIED OR OTHERWISE) AND ASSIGNEE HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY (WHETHER STATUTORY, EXPRESS, IMPLIED OR OTHERWISE), STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE OR ANY OF ITS AFFILIATES, OR ITS OR THEIR EMPLOYEES, AGENTS, OFFICERS, DIRECTORS, MEMBERS, MANAGERS, EQUITY OWNERS, CONSULTANTS, REPRESENTATIVES OR ADVISORS. EXCEPT FOR THE SPECIAL WARRANTY IN SECTION 3.1 AND AS SET FORTH IN SECTION 3.2, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNOR EXPRESSLY DISCLAIMS, AND ASSIGNEE ACKNOWLEDGES AND AGREES THAT IT HAS NOT RELIED UPON, ANY REPRESENTATION OR WARRANTY (WHETHER STATUTORY, EXPRESS, IMPLIED OR OTHERWISE) AS TO (a) TITLE TO ANY ASSET, (b) THE CONTENTS, CHARACTER OR NATURE OF ANY DESCRIPTIVE MEMORANDUM, OR ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO ANY ASSET, (c) THE QUANTITY, QUALITY, PRODUCTION OR RECOVERABILITY OF PETROLEUM SUBSTANCES IN OR FROM ANY ASSET, (d) ANY ESTIMATE OF

THE VALUE OF ANY ASSET OR FUTURE REVENUE GENERATED BY ANY ASSET, (e) ANY ESTIMATES OF OPERATING COSTS AND CAPITAL REQUIREMENTS FOR ANY WELL, OPERATION, OR PROJECT, (f) ANY ENVIRONMENTAL RELEASE OR OTHER ENVIRONMENTAL MATTER, COMPLIANCE WITH ANY LAW (INCLUDING ANY ENVIRONMENTAL LAW) OR THE PROTECTION OF THE ENVIRONMENT OR HEALTH OR PUBLIC SAFETY, OR THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF ANY ASSET, (g) ANY OTHER MATERIAL OR INFORMATION AVAILABLE OR COMMUNICATED IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS ASSIGNMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, OR (i) MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT ASSIGNEE SHALL OBTAIN THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS. ASSIGNEE HEREBY WAIVES ITS RIGHTS UNDER ANY UNFAIR TRADE PRACTICES OR CONSUMER PROTECTION ACTS OR LAWS IN THE STATE OF KANSAS, AND ANY SIMILAR LAW IN ANY OTHER STATE TO THE EXTENT SUCH ACT OR SIMILAR LAW WOULD OTHERWISE APPLY. TO EVIDENCE ASSIGNEE'S ABILITY TO GRANT SUCH WAIVER, ASSIGNEE REPRESENTS AND WARRANTS TO ASSIGNOR THAT IT (w) IS IN THE BUSINESS OF SEEKING OR ACQUIRING, BY PURCHASE OR LEASE, GOODS OR SERVICES FOR COMMERCIAL OR BUSINESS USE, (x) HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE IT TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS CONTEMPLATED HEREBY, (y) IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION, AND (z) HAS CONSULTED WITH, AND IS REPRESENTED BY, AN ATTORNEY OF ASSIGNEE'S OWN SELECTION IN CONNECTION WITH THIS TRANSACTION, AND SUCH ATTORNEY WAS NOT DIRECTLY OR INDIRECTLY IDENTIFIED, SUGGESTED, OR SELECTED BY ASSIGNOR OR AN AGENT OF ASSIGNOR.

ARTICLE IV Miscellaneous

Section 4.1. Further Assurances. Each of Assignor and Assignee covenants and agrees to execute and deliver to the other party all such other and additional instruments and other documents, and will do all such other acts and things, as may be reasonably requested by the other party that are necessary to more fully assign to Assignee or its successors, and permitted assigns, all of the respective properties, rights and interests herein and hereby granted or intended to be granted and to otherwise effectuate the purposes of this Assignment, including, without limitation, executing separate assignments of individual oil, gas and mineral leases or interests therein, which are included in the Assets.

Section 4.2. Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Assignor and Assignee. All references herein to either Assignor or Assignee shall include their respective successors and

assigns.

Section 4.3. Counterparts. This Assignment may be executed in several original counterparts, all of which are identical. Each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same assignment.

Section 4.4. Governing Law. This Assignment shall be governed by and construed under the laws of the State of Kansas, excluding any choice of law rules which may direct the application of the laws of another jurisdiction. Each party consents to personal jurisdiction in any legal action, suit or proceeding with respect to this Assignment in any court, federal or state, within [Chase] County, Kansas, having subject matter jurisdiction and each party irrevocably waives, to the fullest extent permitted by law, any claim or any objection that it may now or hereafter have, that venue or jurisdiction is not proper with respect to any such legal action, suit or proceeding brought in such court, including any claim that such legal action, suit or proceeding brought in such court has been brought in an inconvenient forum and any claim that such party is not subject to personal jurisdiction or service of process in such court. **EACH PARTY HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN CONNECTION WITH THIS ASSIGNMENT.**

Section 4.5. Severability. The invalidity of any one or more provisions of this Assignment shall not affect the validity of this Assignment as a whole, and in case of any such invalidity, this Assignment shall be construed as if the invalid provision had not been included herein and such provision shall be replaced with a similar provision to the broadest extent permitted by applicable law to be valid.

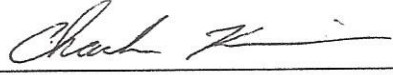
Section 4.6. Taxes. Except as provided in this Section 4.6, Assignor shall be responsible for all ad valorem, real property, personal property, severance, production, sales, use, and similar taxes based upon or measured by the ownership or operation of the Assets, other than income or franchise taxes (“**Property Taxes**”) that are attributable to any period of time prior to Effective Time. Assignee shall be responsible and file tax returns for all Property Taxes that are attributable to any period of time at or after the Effective Time. Assignee shall bear all transfer, documentary, sales, use, gross receipts, stamp, registration, recording and other similar taxes and fees arising in connection with this Assignment.

Section 4.7. Other. This Assignment may not be amended or modified without the prior written consent of the parties. This Assignment contains the entire agreement of the parties with respect to the subject matter hereof, and there are no other representations, warranties, covenants or agreements with respect to the subject matter hereof. Except as provided in Section 2.2, there are no third-party beneficiaries to this Assignment. Except as expressly provided in this Assignment, each party shall bear its own costs for the negotiation, execution or performance of this Assignment. If any separate assignment of any Asset is executed for filing with any applicable governmental authority, such separate assignment shall evidence this Assignment and assignment of the applicable Asset herein made and shall not constitute any additional assignment of such Asset, modify this Assignment, or create any representation, warranty, covenant or agreement and shall be deemed to contain all of the terms of this Assignment. The word “including” means “including without limitation”.

[Signature Pages Follow.]

ASSIGNEE:

3K GAS PRODUCERS, LLC

By: 
Name: Charles Kremeier
Title: President and Managing Member

THE STATE OF KANSAS §
 §
COUNTY OF DICKINSON §

This instrument was acknowledged before me on the 3rd day of August, 2018, by Charles Kremeier, President and Managing Member of 3K Gas Producers, LLC, a Kansas limited liability company, on behalf of said limited liability company.

(SEAL)


Notary Public in and for


EXHIBIT A

LEASES

See attached.

EXHIBIT B

WELLS

See attached.

Exhibit B - Wells

Well Inventory - Snapshot

[Back to Well Inventory Certification - Main Page](#)

Well Inventory Certification Number 1095148608

[Excel](#)

American Nitrogen Rejection LLC

Date Certified: June 06, 2018

Date Approved: June 06, 2018

Number of wells: 22

Deleted by Operator	Lease Name	Well No.	API Number	Year Drilled	Year Assumed Responsibility	Depth	County	Sec	Twp	Rge	Dir	Q4	Q3	Q2	Q1	Feet N-S	N-S
	BOWER	1-2	15-017-20080-0000	1977		1882	Chase	2	20	7	E			NE	NE	660	N
	BOWER 1A O...	2	15-017-20758-0001	2001		1618	Chase	2	20	7	E		SW	NE	NE	4543	S
	DAVIS GIGER...	1	15-017-20860-0000	2004		1275	Chase	29	19	7	E	S2	SW	SW	SE	150	S
	FANKHAUSER	1-33	15-017-20091-0001	2002		1181	Chase	33	19	7	E			SE	NE	3300	S
	FANKHAUSER...	1	15-017-20843-0000	2003		1231	Chase	32	19	7	E		NE	NE	SE	2310	S
	GIGER	A-1	15-017-20823-0000	2002		1239	Chase	28	19	7	E		N2	N2	S2	2970	N
	GIGER	B-1	15-017-20824-0000	2002		1289	Chase	29	19	7	E		NE	NE	SE	2240	S
	KISSEL	1-29	15-017-20081-0001	2002		1752	Chase	29	19	7	E			SE	NE	3300	S
	MCCALLUM SI...	1	15-017-20858-0000	2004		1211	Chase	34	19	7	E		N2	NE	NW	330	N
	MUSHRUSH	1-26	15-017-20497-0001	1998		1310	Chase	26	19	7	E		SW	SW	SW	330	S
	PRETZER	A 1	15-017-20817-0000	2001		1278	Chase	28	19	7	E		N2	NW	NE	330	N
	REEHLING TR...	B3	15-017-20826-0000	2002		1415	Chase	1	20	7	E		S2	SW	NW	2310	N
	RHEELING TR...	B1	15-017-20809-0000	2001		1358	Chase	1	20	7	E		SW	NW	NW	990	N
	STARKEY	A1	15-017-20800-0000	2000		1180	Chase	34	19	7	E		SW	SE	NE	2210	N
	STAUFFER	1-35	15-017-20089-0000	1978		1330	Chase	35	19	7	E		SW	NW	SW	1650	S
	STAUFFER	3-35	15-017-20126-0000	1978		1845	Chase	35	19	7	E		NW	SE	NW	1600	N
	STAUFFER	35-8	15-017-20789-0000	1998		1258	Chase	35	19	7	E	SE	NW	NE	NW	4801	S
	STAUFFER	5-35	15-017-20373-0001	1987		1332	Chase	35	19	7	E	N2	NW	SW	NW	1640	N
	TALBOT	1-23	15-079-20679-0000	2008		1301	Harvey	23	23	2	W	E2	NW	NW	SE	2310	S
	THURSTON	1-27	15-017-20092-0001	2002		1205	Chase	27	19	7	E			SW	SW	660	S
	WARD RANCH	A 1	15-017-20816-0000	2001		1325	Chase	21	19	7	E		SW	SW	SW	330	S
	WOODS	A1	15-017-20828-0000	2002		1250	Chase	33	19	7	E	W2	W2	NW	NW	600	N

For any filing made by the operator or on behalf of the operator, the operator on whose behalf the filing was made is responsible for compliance with all Commission rules and regulations relating to the filing and any permit issued by the Commission.

EXHIBIT C

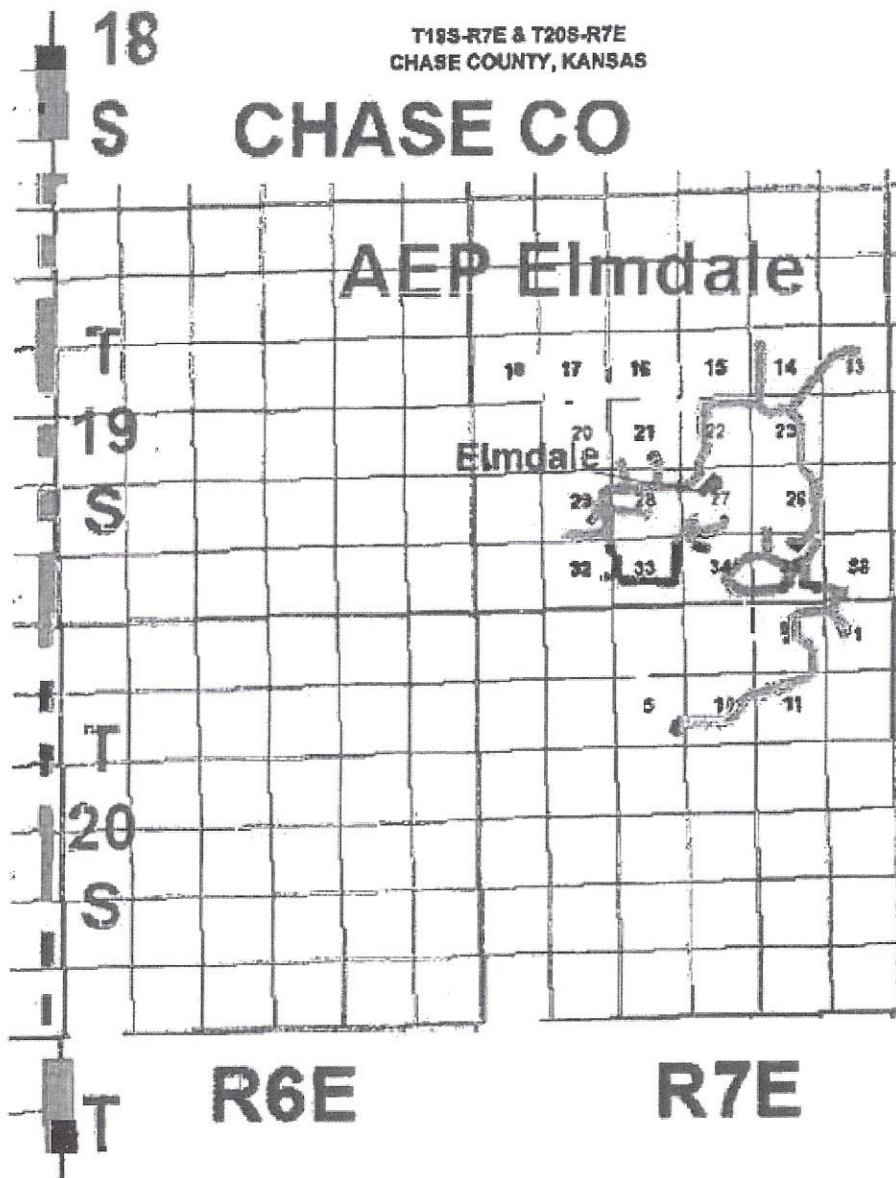
COMPANION AGREEMENTS

See attached.

EXHIBIT D

GATHERING SYSTEM

The Elmdale System contains approximately 21.51 miles of 2-inch to 4-inch poly pipeline and 2-inch to 3-inch steel pipeline, which consists of all of the Elmdale System which is located in Sections 13, 14, 21, 22, 23, 26, 27, 28, 29, 32, 33, 34 and 36, all in Township 19 South, Range 7 East, and Sections 1, 2, 9, 10 and 11 located in Township 20 South, Range 7 East. The Elmdale System is identified on the map below:



SCHEDULE I

EXCLUDED ASSETS

1. 5400 Sandstone, Marion, Kansas 66861
2. Vehicles, including 2008 Toyota Tacoma and Case Skid Loader