

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 _____

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Form KSONA-1

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**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____ Fax: (_____) _____

Email Address: _____

Well Location:

____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West

County: _____

Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: _____ Signature of Operator or Agent: _____ Title: _____

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF KANSAS §
 § KNOW ALL MEN BY THESE PRESENTS
 COUNTY OF STAFFORD §

THAT, **LASSO HOLDING LLC**, a Kansas limited liability company, whose address is 1125 South Main, P.O. Box 465, Chase, Kansas 67524-0465 and (hereinafter referred to as "Assignor") for and in consideration of the sum of One Hundred Dollars (\$100.00) cash and other good and valuable consideration to Assignor in hand paid by **KELSO OIL AND GAS INC**, a Kansas corporation, whose address is P.O. Box 467, 1119 South Main, Chase, Kansas 67524-0465 (hereinafter referred to as "Assignee"), the receipt and sufficiency of all consideration being hereby acknowledged, has GRANTED, TRANSFERRED, ASSIGNED, and CONVEYED and does hereby GRANT, TRANSFER, ASSIGN, and CONVEY unto Assignee, subject to the terms and provisions hereinafter stated, portion of its right title and interest in and to: (i) the wells listed on the attached Exhibit "A" including, but not limited to, the casing and tubing therein and all downhole and wellhead equipment, and all surface equipment (hereinafter referred to as the "Wells") and all surface land deeds existing as of the Effective Time (hereinafter defined); (ii) portion of Assignor's right, title and interest in and to all oil and gas leases listed on Exhibit "B" insofar as the same cover the wells listed on Exhibit "A" (the "Leases") and (iii) portion of all oil, gas, well gas, casinghead gas, condensate, and components of any of them (hereinafter referred to as "Hydrocarbons") produced therefrom on or after the Effective Time; situated in **Stafford County, Kansas** (collectively the Wells, Leases Hydrocarbons and Surface Interests referred to herein as the "Properties") as of the Effective Time.

TO HAVE AND TO HOLD the Properties, subject to the following terms and conditions:

1. Existing Agreements. This Assignment is made in accordance with and is subject to the terms, covenants and conditions contained in all of the assignments or other instruments or agreements of record that are disclosed and provided by Assignor to Assignee prior to the Effective Time and pertain to the Properties and all contractually binding arrangements of record or disclosed by Assignor to Assignee prior to the Effective Time to which the Properties may be subject and which will be binding on the Properties or Assignee on and after the Effective Time.
2. Assumption of Obligations. Assignee hereby assumes and agrees to perform and be bound by all provisions of the Leases and all contractual duties and obligations of Assignor as owner of the Properties to the extent that the same are valid and subsisting on the Effective Time. From and after the Effective Time, Assignee assumes and agrees to timely pay and perform its proportionate share of all duties, obligations, covenants and liabilities under the Leases relating to the ownership, use or operation of the Properties, including without limitation all express or implied covenants and obligations imposed upon the lessee under the terms and conditions of the Leases. Furthermore, Assignee expressly assumes, from and after the Effective Time, any and all obligations and liabilities associated with the Properties, including but not limited to restoration of the surface and plugging and abandonment operations in accordance with the rules of the Kansas Corporation Commission, regardless of whether such surface restoration and plugging and abandonment operations arose prior to the Effective Time.
3. INDEMNITY. ASSIGNEE SHALL FULLY PROTECT, INDEMNIFY AND DEFEND ASSIGNOR, ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, AGENTS AND/OR

EMPLOYEES AND HOLD THEM HARMLESS FROM ALL CLAIMS, DEMANDS, NOTICES, SUITS, CAUSES OF ACTION, LOSSES, DAMAGES, LIABILITIES, FINES, PENALTIES, COSTS AND EXPENSES, REASONABLE ATTORNEY FEES, AND UNIT COSTS, INCLUDING BUT NOT LIMITED TO AD VALOREM, PRODUCTION, SEVERANCE OR EXCISE TAXES AND ROYALTIES ATTRIBUTABLE TO ASSIGNEE'S OWNERSHIP AND OPERATION OF THE PROPERTIES ATTRIBUTABLE TO THE PERIOD ON AND AFTER THE EFFECTIVE TIME. AND (B) ASSIGNEE'S OBLIGATIONS RELATED TO SURFACE RESTORATION AND PLUGGING AND ABANDONMENT OPERATIONS ARISING BEFORE OR AFTER THE EFFECTIVE TIME.

4. **NO WARRANTY.** THIS ASSIGNMENT IS MADE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS, STATUTORY, IMPLIED OR OTHERWISE. ASSIGNOR MAKES NO, AND EXPRESSLY DISCLAIMS AND NEGATES ANY, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO TITLE TO ANY OF THE PROPERTIES.

5. **DISCLAIMER OF WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** THE PROPERTIES COVERED HEREBY ARE USED AND ARE SOLD ON AS "AS IS WHERE IS" BASIS WITH ALL FAULTS, IF ANY. ASSIGNEE ACKNOWLEDGES, PRIOR TO ITS ACCEPTANCE OF THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE, THAT ASSIGNEE HAS BEEN GIVEN ADEQUATE AND TIMELY ACCESS TO INSPECT THE PROPERTIES. ASSIGNOR SHALL HAVE NO LIABILITY TO ASSIGNEE FOR ANY CLAIMS, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY, INCIDENTALY OR CONSEQUENTIALY, BY THE PROPERTIES OR THE MECHANICAL INTEGRITY OF ANY PART THEREOF, BY ANY INADEQUACY THEREOF OR THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY RELATED TO OR ARISING OUT OF THIS ASSIGNMENT. ASSIGNOR MAKE NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PROPERTIES AND EXPRESSLY DISCLAIMS ANY WARRANTIES WITH RESPECT THERETO.

6. **Entire Agreement.** This Assignment supersedes all prior and contemporaneous negotiations, understandings, letters of intent and agreements between the parties relating to the assignment of the Properties and constitutes the entire agreement between parties.

7. **Amendments and Severability.** This Assignment may not be modified supplemented or changed except in writing duly executed by both parties. If any provision of this Assignment is found by any court of competent jurisdiction to be invalid or unenforceable, the provision will be deemed modified to the extent necessary to make it valid or enforceable, and if it cannot be so modified, it will be deemed deleted and the remainder of this Assignment will not be affective thereby.

The provisions hereof shall be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this instrument on the date(s) of the acknowledgements annexed hereto, but effective for all purposes as of **August 1, 2018** (the "Effective Time").

Signature Page Follows

EXHIBIT "A"

Attached to and made a part of that Assignment, Bill of Sale and Conveyance from **LASSO HOLDING LLC** as Assignor, to **KELSO OIL AND GAS INC** as Assignee, dated effective as of the Effective Time.

WELL NAME	API No.	STATE	COUNTY	ASSIGNED WI
BRENN UNIT #1	15-185-13111-0000	KANSAS	STAFFORD	0.206666667
BRENN UNIT #2 SWD	15-185-13171-0002	KANSAS	STAFFORD	0.206666667

All in 19-23S-13W

END OF EXHIBIT "A"

EXHIBIT "B"

Attached to and made a part of that Assignment, Bill of Sale and Conveyance from **LASSO HOLDING LLC** as Assignor, to **KELSO OIL AND GAS INC** as Assignee, dated effective as of the Effective Time.

Twenty and two thirds percent (0.20666667) of the right, title and interest in and to the oil and gas leases described below:

Lease Name	Location	Lease Description	County, State
Brenn	Section 19, Township 23S, Range 13W	S/2 NW/4	Stafford, KS
Brenn	Section 19, Township 23S, Range 13W	S/2 NE/4	Stafford, KS
Brenn	Section 19, Township 23S, Range 13W	SW/4 NE/4	Stafford, KS
Brenn	Section 19, Township 23S, Range 13W	SE/4 NW/4	Stafford, KS

*Includes 20.66666667% of all equipment located in the wellbore and on the lease.

Pertains to certain oil and gas lease dates (from Book: 222 Page: 620):

Name of Lease: Brenn Unit Tract #1
 Lessor: George Budge and Etta Budge, husband and wife
 Lessee: Sinclair Prairie Oil Company
 Book and Page: Book 24 (O&G), Page 511
 County and State: Stafford County, Kansas
 Number of Acres: 80
 Legal Description: S/2 NW/4 of 19-23S-13W

Name of Lease: Brenn Unit Tract #2
 Lessor: William A. Smith and Agnes E. Smith, his wife
 Lessee: P.H. Beckerdite
 Date of Lease: July 21, 1948
 Book and Page: Book 26 (O&G), Page 205
 County and State: Stafford County, Kansas
 Number of Acres: 80
 Legal Description: S/2 NE/4 of 19-23S-13W

Name of Lease: Brenn Unit Tract #3
 Lessor: Edna Mary Jones and Gordon N Jones, her husband,
 and Audrey Opel Brenn Lietman and Henry Orr Lietman, her husband
 Lessee: P.H. Beckerdite
 Date of Lease: June 10, 1949
 Book and Page: Book 28, Page 259
 County and State: Stafford County, Kansas
 Number of Acres: 40
 Legal Description: NE/4 SW/4 of 19-23S-13W

AND

Lessor: Audrey Opal Lietman, a widow
 Lessee: Sterling Drilling Company
 Date of Lease: March 1, 1968
 Book and Page: Book 69, Page 257
 County and State: Stafford County, Kansas
 Number of Acres: 40
 Legal Description: NW/4 SE/4 of 19-23S-13W

Subject to overriding royalties of record. This assignment includes all personal property and rights incident and appurtenant thereto. Assignee agrees through the acceptance of this Assignment that he is accepting the property including the personal property thereon in its AS IS condition without warranty, either expressed or implied, including all the obligations to plug any wells should they be abandoned.

END OF EXHIBIT "B"