

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: _____

Title: _____

Signature: _____

Oil / Gas Purchaser: _____

Date: _____

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		
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_____	_____	_____	_____	_____	_____

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

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** (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: _____

LETTER AGREEMENT

THAT, Kevin C. Davis, President of Red Oak Energy, Inc. (Buyer) and Neal Rudder, Managing Member of Dolphin Energy, LLC, (Seller) and Douglas H. McGinness II, President of CMX, Inc. (Operator) agree that CMX, Inc., shall be the named Operator of record for the property described in the Purchase and Sale Agreement dated the 22nd of October, 2018 by and between the Buyer and Seller listed above.

CMX, Inc. will become of Operator of Record on November 1, 2018.

Executed this 29th day of October, 2018

Seller:



Neal Rudder

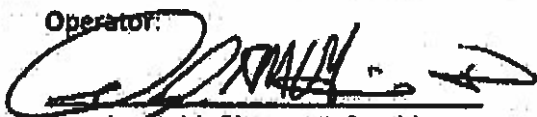
**Dolphin Energy LLC
C/O Neal Rudder
11080 Via Savona
Boyton Beach, FL 33437
nrudder@bellsouth.net**

Buyer:

Kevin C. Davis

**Red Oak Energy, Inc.
7701 E. Kellogg, Suite 710
Wichita, KS 67207
kevincdavis@gmail.com**

Operator:



Douglas H. McGinness II, President

**CMX, Inc.
1700 N. Waterfront Parkway, Bldg 300, Ste B
Wichita, KS 67206
dmcginness@cmxoll-gas.com**

LETTER AGREEMENT

THAT, Kevin C. Davis, President of Red Oak Energy, Inc. (Buyer) and Neal Rudder, Managing Member of Dolphin Energy, LLC, (Seller) and Douglas H. McGinness II, President of CMX, Inc. (Operator) agree that CMX, Inc., shall be the named Operator of record for the property described in the Purchase and Sale Agreement dated the 22nd of October, 2018 by and between the Buyer and Seller listed above.

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Seller:

Neal Rudder

Dolphin Energy LLC
C/O Neal Rudder
11080 Via Savona
Boyton Beach, FL 33437
nrudder@bellsouth.net

Buyer:



Kevin C. Davis

Red Oak Energy, Inc.
7701 E. Kellogg, Suite 710
Wichita, KS 67207
kevincdavis@gmail.com

Operator:



Douglas H. McGinness II, President

CMX, Inc.
1700 N. Waterfront Parkway, Bldg 300, Ste B
Wichita, KS 67206
dmcginness@cmxoil gas.com

PURCHASE AND SALE AGREEMENT

This agreement made this 22nd day of October, 2018, by and between the parties who have executed this agreement as Seller and Buyer below, and which parties, in consideration of the mutual promises and obligations set out herein, do hereby agree as follows:

1. **Agreement to sell and buy.** Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to buy, all of the right, title and interest in and to the following:

- a. The oil and gas leases and leasehold estates shown on Exhibit A hereto;
- b. All of the personal property and equipment located on said leases and used or obtained in connection therewith;
- c. All of the files and records of Seller related to said leases and leasehold estates;
- d. All of the rights of Seller in contracts and agreements related to said leases and leasehold estates;
- e. All rights to salt water disposal wells located on the lands described in Exhibit A, and all equipment in and used in connection with said wells, and all rights to salt water disposal agreements, permits and rights-of-way related thereto;
- f. All rights of operation of the Properties;

all of which shall for all purposes under this agreement be referred to as the Properties, but which sale shall be subject to the following:

- g. Seller shall reserve an overriding royalty interest on each of the leases included in the Properties of 4% x 8/8, and in any extensions or renewals thereof;
- h. Seller's reserved overriding royalty interest shall not be reduced in the event Buyer includes any of the leases included in the Properties in a unitization;
- i. Buyer agrees to commence drilling of one or more new wells at a location of Buyer's choice on a lease or leases included in the Properties, within 18 months of the closing of the sale pursuant hereto to adequately test the Viola formation. In the event Buyer does not commence such well or wells as provided, Buyer shall cause all right, title and interest in the Properties, except for any saltwater disposal lease(s) or equipment or rights included in the Properties and described in paragraph 1.e hereof, to be promptly re-assigned to Seller, without cost to Seller, and Buyer agrees that in the event of such re-

assignment, Buyer will continue to accept for disposal Seller's water produced from any well located on the Properties as of the effective date hereof for disposal, free of charge to Seller, so long as Buyer's disposal well(s) have capacity to accept such produced water.

The terms and provisions above-set out shall survive the closing of this transaction and shall not be extinguished thereby.

2. **Title.** The Properties shall be free of any encumbrance, lien, pledge, mortgage or limitation of any kind or description, whether or not of record, excepting burdens described at paragraph 3 hereof and any limitation expressly disclosed on Exhibit B hereto. Seller hereby represents to Buyer that to the best of the knowledge of Seller, the leases included in the Properties are valid and subsisting leases upon the entire oil and gas mineral interest in and to the lands described therein. Buyer shall have a reasonable opportunity to investigate Seller's title to the Properties, and should Buyer determine, in accord with Kansas law and the Title Standards Handbook of the Kansas Bar Association, that Seller does not have title as represented herein, Buyer shall so inform Seller not less than 2 days prior to closing stating Buyer's reasonable title requirements. Any title defects not timely stated to Seller shall be deemed waived by Buyer. Upon receipt of such requirements, Seller may elect to terminate this Agreement, which termination shall be without obligation on any party and shall be accompanied by return of all earnest monies to Buyer, or Seller shall be allowed 1 days in which to satisfy all of such title requirements. If Seller fails to timely satisfy such title requirements, Buyer may terminate this agreement without liability of any kind to Seller and all earnest money deposited by Buyer shall be refunded forthwith, and all parties shall be released from any further obligation hereunder.

3. **Lease burdens.** Seller warrants to Buyer that the leases included in the Properties are burdened only by the lessor royalty interest expressly shown in each respective lease and by those overriding royalty interests of record as of the date of execution hereof, so as to cause each of the leases included in the Properties to bear a net revenue interest of not less than 77% to the entire working interest, including the overriding royalty to be retained by Seller pursuant to paragraph 1.g hereof.

4. **Purchase price; adjustments.** The purchase price to be paid by Buyer to Seller as the full price for the Properties shall be \$200,000, to be paid to Seller by wire transfer upon execution of this Agreement.

All revenue from the Properties attributable to the period from the Effective Date to the date of execution of this Agreement, other than payable as royalty or overriding royalty, shall be the property of Seller.

Seller shall pay all salt water disposal fees, rentals or other payments required to maintain the Properties in force that become due prior to the closing date, and the purchase price shall be increased by the proportionate amount of said payments attributable to the period after the Effective Date.

Ad valorem taxes on the Properties will be apportioned at closing between Seller and Buyer to the Effective Date, based on such taxes paid for year 2017.

Any commissions to which Seller or Buyer are obligated shall be the responsibility of such party alone.

5. **Assignment**. Seller shall deliver to Buyer at closing, a recordable assignment or assignments of the Properties, executed by all owners of working interests in the Properties, which shall be subject to the terms of this Agreement.

6. **Additional Seller's covenants**. Seller covenants to Buyer:

- a. All royalties owed pursuant to the leases included in the Properties have been properly paid.
- b. The Properties have been operated by Seller in compliance with all applicable statutes, and all regulations of all regulatory agencies having jurisdiction, including but not limited to the Kansas Corporation Commission, the Kansas Department of Health and Environment, the State of Kansas and the United States.
- c. Seller has executed no assignments, pledges or encumbrances of the Properties or any portion or part thereof, except as appear of record in the records of the county in which the Properties are located.
- d. Seller has no knowledge of any claims to or against the Properties adverse to the interests of Seller, other than as expressly set in Exhibit B (if any) hereto.
- e. All covenants, representations and warranties made in this agreement by Seller shall survive the closing of the sale and purchase contemplated herein and shall not be extinguished by such closing

7. **Indemnity for pre-sale claims**. Seller shall be responsible for any claims by

or obligations to third parties, related to or arising out of any act or omission of ownership or operation of the Properties, or any of them, occurring prior to the closing date of the sale contemplated hereby.

8. **Indemnity for post-sale claims.** Buyer shall be responsible for any claims by or obligations to third parties, related to or arising out of any act or omission of ownership or operation of the Properties, or any of them, occurring after the closing date of the sale contemplated hereby.

9. **Effective time; closing; existing oil in tanks; proceeds in hands or purchasers.** The effective time of the sale pursuant to this Agreement shall be November 1, 2018, at 7:00 a. m. CDT. Any oil in storage tanks on the Properties above the pipeline connection as of the effective time shall be the property of Seller. Any oil in storage tanks on the Properties above the pipeline connection produced after the effective time shall be the property of Buyer. Any proceeds of sale of oil or gas, other than attributable to royalty or overriding royalties, held by third-party oil or gas purchasers as of the time of closing and attributable to production prior to the Effective Time shall be the property of Seller, and such proceeds attributable to production after the Effective Time shall be the property of Buyer. Time is of the essence and closing shall be extended only upon the agreement of the parties.

10. **Additional instruments.** Seller agrees to execute such additional instruments as may be necessary to satisfy any requirements of third parties to complete transfer of the Properties to Buyer and assumption of operation of the Properties by Buyer.

Executed the 26 day of October, 2018.

Seller:

Dolphin Energy LLC

C/O Neal Rudder


Neal Rudder

11080 Via Savona

Boyton Beach, FL 33437

nrudder@bellsouth.net

Buyer:



Red Oak Energy, Inc.

7701 E. Kellogg, Suite 710

Kevin C. Davis

Wichita, KS 67207

EXHIBIT A

The Properties

Date December 14, 1987
Lessors John Loyd Lemon, et al
Lessee Woolsey Petroleum Corporation
Description E/2 SE/4, Sec. 8
W/2 SW/4, Sec. 9
in T30S-R13W, Barber County KS
Recorded Book 236 at Page 149

Date December 14, 1987
Lessors John Loyd Lemon, et al
Lessee Woolsey Petroleum Corporation
Description W/2 NW/4, Sec. 9-T30S-R13W,
Barber County KS
Recorded Book 236 at Page 143

Date December 14, 1987
Lessors John Loyd Lemon, et al
Lessee Woolsey Petroleum Corporation
Description E/2 SW/4, W/2 SE/4, Sec. 9-T30S-R13W,
Barber County KS
Recorded Book 236 at Page 155

or obligations to third parties, related to or arising out of any act or omission of ownership or operation of the Properties, or any of them, occurring prior to the closing date of the sale contemplated hereby.

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