

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 _____
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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: _____

ASSIGNMENT OF OIL AND GAS LEASE AND BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that George L. Sage a/k/a George Sage, a single person, and Poco Pozo Oil Co., Inc., a Kansas corporation hereinafter called "Assignor," for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does grant, bargain, sell convey, transfer, assign and deliver all of Assignor's right, title, working interest and overriding royalty interest unto KSMS OIL, LLC, with an address of 41 Madison Ave., 25th Floor, New York, NY 10010, hereinafter called "Assignee", its successors and assigns, in and to the following oil and gas leases and personal property:

- (A) The Oil and Gas Leases described on Exhibit A and the leasehold estate and right, privileges and interests created by said leases subject to all the terms and conditions of said oil and gas lease and extensions thereof (collectively, the "Leases"); AND
- (B) All equipment, wells, structures and personal property, to include fixtures and improvements, currently located on the Leases described above in paragraph (A), and used or useable in connection with oil and gas exploration, production, treatment, storage and marketing activities together with all rights incident thereto and all easements, permits, rights of way, surface fees, surface leases, servitudes and agreements related thereto, all tenements, hereditaments and appurtenances to the Leases, and all files and records pertaining to the same, including but not limited to drilling data, electric logs, lease files, land files, well files, division order files, geophysical data, studies, evaluations, projections, reports, appraisals, valuations, maps, regulatory files and records (collectively, the "Personal Property").

The Leases and Personal Property are collectively referred to as the "Assigned Property."

ASSIGNMENT TERMS:

1. REPRESENTATIONS AND WARRANTIES: (i). Assignor makes this Assignment with general warranty. Assignee accepts the Assigned Property with general warranty by Assignor that nothing has encumbered the title to the same and that any encumbrances held by Assignor are hereby assigned to Assignee. The Net Revenue Interest (N.R.I.) listed on Exhibit A are for the purpose of warranting certain ownership interests, this is an assignment of all of Assignor's right title and working and overriding royalty interest in said leases notwithstanding the N.R.I. interest listed in Exhibit A. Assignor warrants that it has good merchantable title to the Assigned Property free and clear of all liens and encumbrances; (ii). All rentals, royalties, bonus payments, option payments, deposits and other payments due under the Leases have been fully and promptly paid and there has been no notice of default or forfeiture or demand that any Leases be released; (ii). There are no claims (including claims for taxes), demands, suits, actions, arbitrations or governmental investigations or proceedings pending or threatened against either Assignor or the Leases which would affect Assignee's ownership or operation of the Leases; (iii). All permits, licenses, orders and approvals of all federal, state and local governments or regulatory bodies required for the operation of the Leases as presently conducted have been obtained; all such permits, licenses, orders and approvals are in full force and effect and no suspension or cancellation of any of them is threatened or pending; and none of such permits, licenses, orders or approvals will be affected by the consummation of this Agreement except as any of the same may need to be transferred to Assignee; (iv). Neither party has incurred any obligation or liability, contingent or otherwise, with respect to any broker's or finder's fee or commission related to this transaction for which the other party shall have any responsibility; (v). There are no material contracts related to the operation of the Leases except for ordinary service and supply agreements that are subject to termination on 60

days' notice or less, and Assignor is not in violation, breach or default of any such contracts, and all such contracts have been disclosed to Assignee; (vi). Assignor has not violated any applicable law, ordinance, regulation, writ, judgment, decree or order of any court or government or governmental unit in connection with the Leases, the consequence of which, individually or in the aggregate, would have an adverse effect on the Leases, nor is Assignor required to notify for, remediate or cure any environmental conditions on or about the Leases; (vii). No materials or labor have been provided to the Leases by any party that remains unpaid and could form the basis for a lien to be filed on the Leases or Lease property; (viii). There are no consents or approvals, or waivers of preferential rights necessary to be obtained prior to the execution of this Agreement and the consummation of the transactions contemplated hereby; and (ix). The Leases are valid, subsisting and continuing oil and gas lease and all of the terms, conditions, and covenants thereof have been fully and timely performed. No action or inaction by Assignor or its predecessors in title could have given rise to a forfeiture, termination, or action for cancellation of the Leases; and no act or omission by Assignor or any of its agents, employees or predecessors in interest could give rise to an action or claim of any kind relating to the Leases, the operator thereof, or to impair the title to the same. The terms "action or claim" as used in this paragraph shall include any action in tort, contract, regulatory agency claim, environmental claim by any person or entity, and all other claims arising out from any event occurring before closing.

2. INDEMNIFICATION. Assignee shall protect, defend, indemnify and hold Assignor harmless from the payment of any judgments, claims, costs, expenses and liabilities ("Damages"), whether direct, contingent or otherwise, assessed against Assignor which are payable with respect to the ownership or operation of the Leases from and after the Effective Date. Assignor shall protect, defend, indemnify and hold Assignee harmless from the payment of any and all Damages, whether direct, contingent or otherwise assessed against Assignee or Assignor which are payable with respect to the ownership or operation of the Leases prior to the Effective Date.

3. MERGER OF OVERRIDING ROYALTY. The interest assigned herein consists partly of overriding royalty interest and partly of working interest. It is the intention of the Parties that any overriding royalty interest in and to the Leases be merged back into the working interests and lose its status as an overriding royalty interest immediately upon the receipt of said interest by Assignee. Therefore, Assignee will be the owner of all of the working interest in and to the Leases, without any overriding royalty interest burdening said working interest.

4. TRANSFER OF RIGHTS. To the extent transferable, Assignee is hereby granted the right of full substitution and subrogation in and to any and all rights and warranties which Assignor has or may have with respect to the Assigned Property conveyed herein of which Assignor has or may have against any and all preceding owners, vendors or warrantors. The Assigned Property shall include all right, title and interest which Assignor may have in and to the Leases, including but not limited to, leasehold interests, rights of assignment or reassignment, overriding royalties, contractual rights, regulatory authorities and permits or licenses, easements and rights-of-way.

5. FURTHER ASSURANCES. The parties agree to execute, acknowledge and deliver such other and further instruments or documents, and to take such other and further actions as may be reasonably necessary to carry out the provisions of this Assignment.

6. EFFECTIVE DATE. This Conveyance shall be effective as of June 1, 2015, at 7:00 a.m., Central Standard Time.

TO HAVE AND TO HOLD the above described property and easement with all and singular the rights, privileges, and appurtenances thereunto or in any wise belonging to the said Assignee herein, its successors, personal representatives, administrators, executors and assigns forever.

GEORGE L. SAGE, AN INDIVIDUAL.

POCO POZO OIL Co., INC.


George L. Sage a/k/a George Sage


George L. Sage President

STATE OF KS)
COUNTY OF BW)

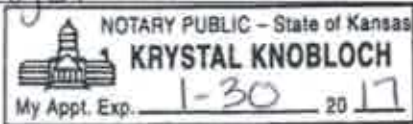
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BE IT REMEMBERED that on this 2 day of June, 2015, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came George L. Sage a/k/a George Sage, a single person, personally known to me to be the same person who executed the foregoing instrument of writing on behalf of himself, and he duly acknowledged the execution of the same for himself for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

Krystal Knobloch

Appointment/Commission Expires:



Notary Public

STATE OF KS)
COUNTY OF BW)

)ss:
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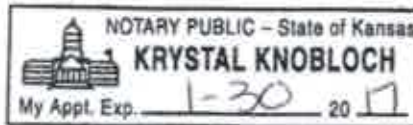
ACKNOWLEDGMENT FOR CORPORATION

BE IT REMEMBERED that on this 2 day of June, 2015, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came George L. Sage, President of POZO OIL CO., INC., a Kansas corporation, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing on behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

Krystal Knobloch

Appointment/Commission Expires:



Notary Public

AETNA LEASE

Dated: January 25, 1934
Recorded: Book 6, Page 189
Lessors: Aetna Life Insurance Company, a corporation of Hartford, Connecticut
Lessee: C. L. Sheedy
Legal: The Northwest Quarter (NW/4) of Section 27, Township 25 South, Range 15 East, and containing 160 acres, more or less, Woodson County, Kansas.
Warranted NRI: 100% of the Working Interest Representing 87.5% Net Revenue Interest

DEGREE OF HONOR LEASE

Dated: March 23, 1934
Recorded: Book 4, Page 582
Lessors: The Grand Lodge Degree of Honor of Kansas, a corporation
Lessee: C. L. Sheedy
Legal: The Northeast Quarter (NE/4), Section 28, Township 25 South, Range 15 East, Woodson County, Kansas.
Warranted NRI: 100% of the Working Interest Representing 87.5% Net Revenue Interest

MILLER LEASE

Dated: November 13, 1965
Recorded: Book 27, Page 238
Lessors: Leona Kruger, Executrix of the Estate of Carl R. Miller, Deceased
Lessee: Mary Jane Nichols
Legal: West Half of Northeast Quarter (W/2 NE/4), less the North 25 acres; and West Half of Southeast Quarter of Northeast Quarter (W/2 SE/4 NE/4), Section 15, Township 25, Range 15, Woodson County, Kansas
Warranted NRI: 100% of the Working Interest Representing 87.5% Net Revenue Interest

POCO POZO LEASE

Dated: May __, 1981
Recorded: Book 53, Page 724
Lessors: The City of Yates Center, Kansas
Lessee: R. D. Gordon
Legal: That part of the Southwest Quarter (SW/4) of Section 15, Township 25 South, Range 15 East, lying West of the Yates Center City Reservoir, with said lease being subject to existing roads, highway rights-of-way of record, and easements including those easements for waterlines across said lands, Woodson County, Kansas.
Warranted NRI: 100% of the Working Interest Representing 87.5% Net Revenue Interest