

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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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 AND BILL OF SALE

This Assignment and Bill of Sale (hereinafter referred to as the "Assignment"), effective as of January 1, 2019, hereinafter referred to as the "Effective Time", is from **Quail Oil & Gas, LC**, whose address is PO Box K, Garden City, KS 67846 hereinafter referred to as "Assignor", to **SAAW Operating, LLC**, whose address is PO Box 841, Protection, KS 67127 (hereinafter referred to as "Assignee");

WITNESSETH:

Assignor represents that it owns all the working interest in the oil and gas leases and the wells described in Exhibit A Parts 1 & 2, described herein as "Interests". It is Assignee's express intent to acquire 100% (100 percent) of Assignor's working interest in the "Interests" as they apply

For valuable consideration, and the covenants and conditions set forth herein, the receipt and adequacy of which are hereby acknowledged by Assignor, Assignor hereby assigns, transfers, grants, bargains, sells and conveys to Assignee the following (all of which are herein referred to as the "Interests"):

1. An undivided 100% of Assignor's right, title and interest in and to the oil and gas leases described in Exhibit A, Part 1, attached hereto (the "Leases"), covering the lands described in Exhibit A (the "Land"), together with all the property and rights appurtenant or incident thereto, including without limitation (a) all rights of Assignor in oil, gas and associated substances and other minerals produced or producible from or attributable to the Leases or to any units, pooled areas or communitized areas that cover or include all or any portion of the Leases, and (b) all rights of Assignor in, to and under all operating agreements, exploration agreements, pooling or unitization agreements, farmout agreements, joint venture agreements, product purchase and sales contracts, pipeline and transportation agreements, processing and treatment agreements, leases, permits, right-of-way, easements, licenses, options, orders, contracts and instruments in any relating to the Leases and the Land, and all amendments to any of the foregoing.
2. An undivided 100% of Assignor's right, title and interest in and to the certain wells described in Exhibit "A", Part 2, (herein referred to as the "Wells"), together with the personal property, fixtures, improvements and other property, whether real, personal, or mixed, now or as of the Effective Time on, appurtenant to, or used or obtained by Assignor in connection with the Wells or with the production, injection, treatment, sale or disposal of hydrocarbons and all other substances produced therefrom or attributable thereto, including without limitation well equipment, casing, tubing, tanks, rods, tanks batteries, natural gas, crude oil, condensate or products placed into storage or into pipelines, boilers, buildings, pumps, motors, machinery, injection facilities, disposal facilities, field separators and liquid extractors, compressors, pipelines, gathering systems, power line, telephone and telegraph lines, roads, equipment leases, trailers, inventory in storage and all other appurtenances thereunto belonging.
3. An undivided 100% of Assignor's interest in options, farmout agreements, exploration agreements and other agreements granting to Assignor the right to earn or otherwise acquire interests in the Wells.

TO HAVE AND TO HOLD the Interests unto Assignee, and its successors and assigns, forever. With respect to the Wells, personal property and equipment assigned hereby, this Assignment is made by Assignor and accepted by Assignee without representations, covenants or warranties as to title, either expressed or implied. This Assignment is executed by Assignor without any express or implied warranty or representation as to the merchantability of any of the equipment or its fitness for any purpose, and without any other express or implied warranty or representation whatsoever. It is understood and agreed that Assignee shall have inspected the property and premises and satisfied itself as to its physical and environmental condition, both surface and subsurface, and that Assignee shall accept all of the same in its "as is, where is" condition. In addition, Assignor makes no warranty or representation, express or implied, as to the accuracy or completeness of any data, information or materials heretofore or hereafter furnished Assignee in connection with the Interests, or as to the quality or quantity of hydrocarbon reserves (if any) attributable to the Interests or the ability of the Interests to produce hydrocarbons. Any and all such data, information and other materials furnished by Assignor is provided Assignee as convenience and any reliance on or use of the same shall be at Assignee's sole risk.

By execution hereof, Assignee hereby assumes and agrees to pay and discharge or cause to be paid and discharged, from and after the Effective Time hereof, to perform or cause to be performed, all of Assignor's obligations and liabilities arising and attributable to times on or after Effective Time incurred in the ordinary course of operation of the Interest on or after the Effective Time pursuant to leases, operating agreements, agreements, contracts, gas and/or oil contracts (if any), instruments and other commitments to which the Interests are subject, and Assignor hereby agrees to pay and discharge or cause to be paid, performed and discharged, all obligations and liabilities to times before the Effective Time incurred in the ordinary course of operation of the Interests before the Effective Time pursuant to leases, operating agreements, agreements, contracts, gas and/or oil contracts (if any), pipeline construction, instruments, and other commitments to which the Interests are subject. **As further consideration for this Assignment, Assignee expressly agrees to and does assume any and all liability and cost associated with the interest conveyed herein for the plugging and abandonment of the wells described in Exhibit "A", Part 2.**

Assignor will execute and delivery all such other additional instruments and documents and will do all such other acts and things as may be necessary more fully to assure to Assignee or its successors or assigns that all of the respective rights and interests herein and hereby granted or intended to be granted are granted.

By its acceptance of the terms of this Agreement and Bill of Sale, Assignee shall comply with and does hereby assume and agree to perform as to matters attributable to times on and after the Effective Time, Assignee's proportionate part of all express and implied covenants, obligations and reservations contained in the Leases, and the Interests assigned herein are subject to and shall bear their proportionate share of all existing recorded lease burdens, overriding royalty interest and payments out of production relating to the Leases as of the Effective Time.

This Agreement may be executed by Purchaser and Seller in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument. Electronic and fax signatures shall be considered binding.

The provisions hereof shall be covenants running with the land and shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

Executed this 2nd day of January 2019, however, to be effective for all purposes as of the Effective Time.

ASSIGNOR:

Quail Oil & Gas, LC

BY: Wray Valhert

Name: Wray Valentine
Title: Manager

ASSIGNEE:

SAAW Operating, LLC

BY: Bill Woodward

Name: William Woodward
Title: Manager

ACKNOWLEDGEMENT

STATE OF KANSAS)
) §
COUNTY OF FORD)

This instrument was acknowledged before me on this 2nd day of January 2019 by Wray Valentine, as Manager of Quail Oil & Gas, LC, on behalf of said company.

Michelle Frazier
Notary Public State of KS

My commission expires: 12/1/22



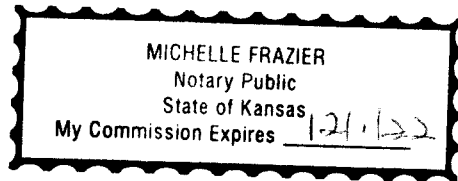
ACKNOWLEDGEMENT

STATE OF KANSAS)
) §
COUNTY OF FORD)

This instrument was acknowledged before me on this 2nd day of January 2019 by William Woodward, as Manager of SAAW Operating, LLC, on behalf of said company.

Michelle Frazier
Notary Public State of KS

My commission expires: 12/1/22



**Exhibit "A", Part 1
Clark County, Kansas Leases**

Attached to and made a part of that certain Assignment of Oil and Gas Leases dated January 1, 2019, by and between Quail Oil & Gas, LC, Assignor, and SAAW Operating, LLC, Assignee.

- 1)
Lessor: R.A. Dorsey and Doris Marie Dorsey, his wife
Lessee: Mesa Petroleum Co.
Date: January 5, 1979
Description: Township 32 South, Range 21 West
Section 7: SW/4, also described as Lots 3 and 4 and the E/2 SW/4
Clark County, Kansas
Recording Data: Book 54, Page 85
- 2)
Lessor: Sidney B. Dorsey and Mary Ellen Dorsey, his wife
Lessee: Mesa Petroleum Co.
Date: January 5, 1979
Description: Township 32 South, Range 21 West
Section 7: SW/4, also described as Lots 3 and 4 and the E/2 SW/4
Clark County, Kansas
Recording Data: Book 54, Page 91
- 3)
Lessor: Jesse L. Waits and Ruth Ann Waits, his wife
Lessee: Mesa Petroleum Co.
Date: May 8, 1979, effective June 23, 1979
Description: Township 32 South, Range 21 West
Section 7: Lots 3 and 4 and the E/2 SW/4 a/d/a SW/4
Clark County, Kansas
Recording Data: Book 56, Page 77

**Exhibit "A", Part 2
Comanche County, Kansas Wells**

Attached to and made a part of that certain Assignment and Bill of Sale as of January 1, 2019 between Quail Oil & Gas, LC (as "Assignor") and SAAW Operating, LLC (as "Assignee").

LEASE OR UNIT NAME	DESCRIPTION	OPERATOR NAME
Waits 1-7	32S-21W: SW/4 Sec 7	Quail Oil & Gas, LC