

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
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: _____

CONTRACT OF SALE

This Contract of Sale entered into by and between Spiral Energy Corp., hereinafter referred to as Seller, and TexKan Resources, LLC, hereinafter referred to as Buyer.

WITNESSETH:

OIL AND GAS LEASES

1. Seller hereby agrees to sell and convey and the Buyer does hereby agree to purchase 100% of the working interest in and to the following Oil and Gas Leases, to-wit;

Oil and Gas Lease dated March 16, 2006, and recorded in Book 357, Page 483 et seq., from William Young and Rita Young, his wife; Rosemary Fechner, a widow, and Raymond Nech, a widower, Lessors, to Habit Petroleum, LLC, Lessee,

Insofar and only insofar as said lease covers the following tract:

The Northeast Quarter of the Northwest Quarter (NE/4 NW/4); The Northeast Quarter (NE/4) and the North Half of the Southeast Quarter (N/2 SE/4) of Section 15, Township 9, Range 19, Rooks County, Kansas, (Nech Lease)

Seller conveying a 82.000% NRI Working Interest.

Oil and Gas Lease dated June 5, 2008, and recorded in Book 233, Page 359 et seq., from Mildred J. Cook (no marital status given), Lessor, to Habit Petroleum, LLC, Lessee,

Insofar and only insofar as said lease covers the following tract:

The Southeast Quarter (SE/4) of Section 10, Township 10, Range 21, Graham County, Kansas, (Cook Lease)

Seller conveying a 80.000% NRI Working Interest.

Oil and Gas Lease dated January 13, 1948, and recorded in Book 30, Page 637, from James Bartos and Bessie Bartos, his wife, Lessors, to Skelly Oil Company, A corporation, Lessee,

Insofar and only insofar as said lease covers the following tract:

The Northwest Quarter (NW/4) of Section 10, Township 10, Range 21, Graham County, Kansas, (Bartos Lease)

Seller conveying a 82.031250% NRI Working Interest.

llc
2-7-19

[Handwritten signature]

[Handwritten signature]

Oil and Gas Lease dated October 4, 2002, and recorded in Book 203, Page 636 et seq., from Glenn L. Lambert and Jane M. Lambert, his wife, Lessors, to Michael J. Van Ausdale, Lessee, Insofar and only insofar as said lease covers the following tract:

The Southwest Quarter (SW/4) of Section 3, Township 10, Range 21, Graham County, Kansas, except for a ten (10) acre spacing described as the Northwest Quarter of the Southeast Quarter of the Southwest Quarter (NW/4 SE/4 SW/4) of Section 3, Township 10, Range 21, Graham County, Kansas
(Miller Lease)

Seller conveying a 81.006982% NRI Working Interest.

Oil and Gas Lease dated September 1, 2007, and recorded in Book 228, Page 379 et seq., from Ernest G. Tribble and Leah R. Tribble, husband and wife, Lessors, to Raney Oil Company, LLC, Lessee,

Oil and Gas Lease dated September 1, 2007, and recorded in Book 228, Page 375 et seq., from Bruce C. Tribble and Madelyn P. Tribble, Trustees under the Bruce and Madelyn Tribble Trust dated October 21, 1994, Lessors, to Raney Oil Company, LLC, Lessee,

Oil and Gas Lease dated September 1, 2007, and recorded in Book 228, Page 377 et seq., from Karolyn K. Barmanglidj, a single person, Lessor, to Raney Oil Company, LLC, Lessee,

Insofar and only insofar as said lease covers the following tract:

The Southwest Quarter (SW/4) of Section 2, Township 10, Range 21, Graham County, Kansas
(Vera White Lease)

Seller conveying a 80.000% NRI Working Interest.


Saltwater Disposal Agreement allowing the disposal of water from the Bartos Lease into the Miller salt water disposal well.

Saltwater Disposal Agreement allowing the disposal of water from the Cook Lease into the Bartos injection well.

Saltwater Disposal Agreement allowing the disposal of water from the Nech Lease into the Bowman operating Novotny salt water disposal well.

PURCHASE PRICE

2. The gross sale price to be paid for the above described Oil and Gas working interests by the Buyer to Seller is the sum of [REDACTED], to be paid as hereinafter stated.

ML
2-1-11




CLOSING

3. It is contemplated by the parties hereto that this contract shall be closed on or before February 15, 2019, at which time title shall have been approved. Closing may be extended a reasonable time to complete any title requirements. The unpaid balance of the purchase price, as previously designated, shall be paid in full at closing. The assignment of the oil and gas working interest shall be delivered to the Buyer and all monies, less deductions, shall be paid to the Seller. This Contract shall be effective as of January 1, 2019. Seller acknowledges he may have unpaid working interest expenses for the month of December 2018, which Seller shall be responsible for. Buyer shall be responsible for all expenses incurred on the lease as of January 1, 2019. In the event, Seller incurs any expenses for the above described Leases after January 1, 2019, Buyer agrees to promptly reimburse Seller for said expenses. If any expenses were paid by Seller prior to closing, Buyer agree to include reimbursement at closing.

EFFECTIVE DATE OF CONVEYANCES: January 1, 2019, at 7:00 A.M.

COSTS OF CONVEYANCE

4. It is understood and agreed that the expenses of this conveyance shall be paid by the parties in this manner. The Seller shall pay the legal costs of preparing this contract. The Seller shall also be responsible for the costs of any curative instruments or procedures including recording fees associated therewith. The Buyer shall be responsible for paying the recording fees for its assignments. Any closing costs shall be shared equally by Buyer and Seller.

ASSIGNMENT

5. The Seller shall execute an Assignment conveying the above described working interest in and to the Oil and Gas Leases to the Buyer. Said Assignment shall also include all interest in and to the above described Saltwater Disposal Agreements.

TITLE

6. The Buyer shall have the opportunity to obtain a stand-up title opinion from an attorney, if the Buyer so elects, to verify ownership of the working interest being sold herein. If the attorney, upon examination of the records of Rooks and Graham County, Kansas, finds that additional requirements are necessary for the conveyance contemplated herein, the Seller shall have a reasonable time to meet those requirements.

FAILURE OF TITLE

7. In the event Seller is unable to furnish merchantable title, Buyer shall exercise one of the following: (1) declare this agreement null and void and of no further force and effect; or (2) continue with the purchase of the above described Leases, but at a reduced price to compensate for title failures. Said reduction shall be negotiated by the parties. If a reduced purchase price cannot be agreed upon, this Agreement shall be null and void and of no further force and effect.

Handwritten signature

Handwritten signature

OIL PRODUCTION EXPENSES

8. The January check (December runs) shall be paid to the Seller and the Buyer shall be responsible for all operating expenses beginning on January 1, 2019, and be entitled to the February check (for the January runs), pertaining to the above described Oil and Gas Leases being conveyed herein.

TAXES

9. It is understood and agreed that the Seller shall pay the taxes for the year 2018 and all prior years. The Buyer shall pay the taxes for the year 2019 and all subsequent years.

PREMISES INSPECTION

10. Buyer, by its signature herein, acknowledges that the Buyer has inspected the premises and agrees to accept the same in its current condition subject to reasonable wear and tear prior to closing and subject to casualty loss prior to closing.

POSSESSION

11. The Buyer shall be entitled to possession of the premises as of January 1, 2019, at 7:00 A.M.

DEFAULT

12. Time of payment is of the essence of this contract. Upon default of the Buyer, the Seller shall have the option to declare this contract null and void and to retain all amounts received thereunder as liquidated damages and rent with right to immediate possession of the premises and with the further right to pursue any other remedy provided by law.

WARRANTY

13. The Seller does not make any warranty whatsoever, either expressed or implied, with respect to such leasehold, land, properties, or other interests being assigned herein, except that it is the owner of an undivided working interest in the leases, right, and properties described above; that the same are being sold free of any conveyances or liens made or created by Seller; that there is no notice of default or litigation outstanding, or to Seller's knowledge, pending or threatened, in connection with the undivided mineral interest in the leases being assigned herein; that all royalties heretofore accruing under such leases have been paid; that all rents heretofore accruing under such leases have been paid. Buyer will be responsible for all such rents hereafter accruing.

INDEMNITY

14. Seller agrees to indemnify and hold Buyer, and its assignee or contract operator, harmless from any and all costs, liabilities, expenses, suits, claims, judgments, payment of royalty, damages to persons or property or compliance with State and Federal laws and regulations arising from its ownership and operation of the Leases incurred prior to the effective date.

MC
2/19
OTZ

OTZ

ACCEPTANCE

15. The Buyer hereby accepts the above described working interest in said Oil and Gas Leases, and the assignments thereof, and agrees, subject to all of the rights thereunder, and subject to all other rights and privileges heretofore granted, to lessee under such lease with reference to the premises herein assigned to comply with and carry out all of the terms and conditions and provisions of such lease.

BINDING

16. This contract shall be binding upon the heirs, assigns, executors, or administrators of the parties hereto.

ENTIRE AGREEMENT

17. All prior negotiations have been reduced to writing and are included herein. This contract constitutes the entire agreement of the parties and may not be amended, altered, or modified, except by written agreement signed by both Seller and Buyer.

KANSAS LAW


18. This contract and the performance thereunder shall be governed by the laws of the State of Kansas.

19. The parties agree that venue for any disputes regarding this agreement shall be Rooks County, Kansas.

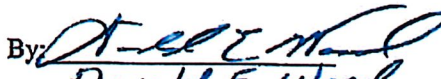
20. This contract may be signed in counterparts and will have the same effect as if all parties had signed the same document.

FH IN WITNESS WHEREOF, said parties have hereunto subscribed their names as of the day of February, 2019.

Spiral Energy Corp

By: 
Ron Amini, President
SELLER

TexKan Resources, LLC

By: 
Donald E Wood
BUYER President

RC
2-27-19