

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
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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: _____

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the 3rd day of August, 1979,
between Rolland E. Klaassen and Mildred V. Klaassen, his wife of 516 North Westfield, Wichita, Kansas 67212

and J. Fred Hambright, 1415 KSB&T Bldg., Wichita, Ks. 67202, hereinafter called lessor,
hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of Ten and more dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, and with the right to carry on geological, geophysical and other exploratory work, including core drilling and the covered thereby as hereinafter provided, for the purpose of utilizing this lease or any part thereof with other oil and gas leases as to all or any part of the lands drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gas, and their respective constituent vapors, and all other gases and for constructing roads, laying pipe lines, building tanks, storing oil, building powers, stations, telephone lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture

all of such substances, said tract of land with any reversionary rights therein being situated in the County of Butler

State of Kansas, and described as follows:

The North Half (N½) of Section 24, Township 25 South, Range 3 East

containing 320 acres, more or less.

2. This lease shall remain in force for a term of Three (3) years and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas, condensate, distillate or other gaseous substance is found, and where such gas is not sold or used lessee may pay or tender annually at the end of each yearly period during the completion of the first such gas well during which such gas is not sold or used, as in lieu royalty, whether one or more wells, an amount equal to the delay rental provided in paragraph 5 hereof and while said in lieu royalty is so paid or tendered it will be considered under all provisions of this lease that gas is being produced in paying quantities; the lessor to have gas free of charge from the use of gas well on the leased premises for stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 3rd day of August, 1980, this lease shall terminate as to both parties, unless the lessee shall on or before said date by check or draft pay or tender to the lessor or for the lessor's credit in the Bank of Whitewater, Kansas, 67154 or its successors which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of Three Hundred Twenty and no/100 Dollars which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assigns or to said depository bank, and it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner above shall be binding on the heirs, devisees, executors, and administrators of such persons.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion, and rentals hereunder shall be increased at the next succeeding rental anniversary after written notice of such reversion by lessor to lessee, provided said notice is received by lessee at least 30 days prior to any such rental anniversary.

7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing, but lessee shall be under no obligation to do so.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or a duly certified copy thereof for the estate of any deceased owner, whichever is appropriate, and all advance payments of rentals or royalties shall be binding on the heirs, devisees, executors, and administrators of such persons.

9. There shall be no obligation on the part of the lessee to offset rents on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks. It is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to defeat or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

11. If at any time prior to discovery of oil or gas on said land, lessee commences additional drilling or reworking operations within sixty (60) days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals on or before the rental payment date next ensuing after the expiration of three months from the date of completion of the dry hole or cessation of production, if at the expiration of the primary term oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, the lease shall remain in force so long as operations are prosecuted, either on the same well or any other well thereafter commenced, with no cessation of more than sixty (60) consecutive days, and if they result in the production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

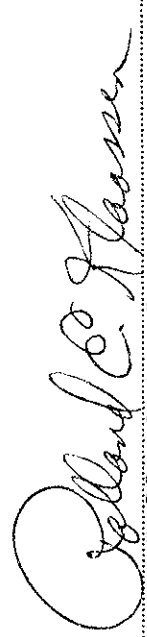
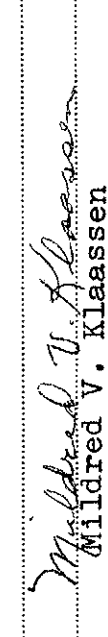
13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases adjoining same or in the vicinity thereof, when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be of tracts adjoining same or in the vicinity thereof as to form a compact unit or units, and to be in a unit or units not exceeding 43 acres each in the event of an oil well, or into a unit or units not exceeding 660 acres each in the event of a gas and/or condensate or distillate well. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production, from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, we sign the day and year first above written.

S. S. # 511-38-6831 COMPARED ✓
NUMERICAL ✓
DIREC ✓
INDIREC ✓
REGISTRATION ✓


Rolland E. Klaassen

Mildred V. Klaassen

ASSIGNMENT AND BILL OF SALE OF OIL AND GAS LEASE(S)

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, RICHARD D. SMITH, TRUSTEE OF THE RICHARD D. SMITH REVOCABLE TRUST DATED MARCH 30, 2007, ALAN F. DAVIS AND CAROL A. DAVIS TRUSTEE OF THE ALAN F. DAVIS LIVING TRUST U/T/A DATED JUNE 5, 2007 AND JOHN M. WASHBURN, hereinafter referred to as "ASSIGNOR", for and in consideration of Ten Dollars (\$10.00), the receipt and sufficiency of which is hereby acknowledged, does hereby sell, assign, transfer and set over unto PALOMINO PETROLEUM, INC., hereinafter referred to as "ASSIGNEE", all of Assignor's **working interest** only in and to the Oil and Gas Lease(s) described in Exhibit "A", attached hereto and made a part hereof by reference, insofar as said lease(s) cover the land(s) described in Exhibit "A", together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith, whether or not located on the lease.

Assignors hereby warrant and agree to defend the title, insofar and only insofar, as it pertains to Assignors' undivided interest to the lands herein described on the attached Exhibit "A".

The interests hereby assigned are subject to their proportionate share of any overriding royalty interest of record, if any, declaration of unitization, if any, and gas purchase contracts, if any.

All provisions of this Assignment shall be available to and binding upon the respective heirs, executors, administrators, successors and assigns of the Assignor and Assignee herein.

Executed this 8th day of March, to be effective as of April 1, 2019.

RICHARD D. SMITH REVOCABLE TRUST DATED MARCH 30, 2007

Richard D. Smith
RICHARD D. SMITH, TRUSTEE

ALAN F. DAVIS LIVING TRUST U/T/A DATED JUNE 5, 2007

Alan F. Davis
ALAN F. DAVIS, TRUSTEE

John M. Washburn
JOHN M. WASHBURN

Carol A. Davis
CAROL A. DAVIS, TRUSTEE

STATE OF KANSAS

COUNTY OF SEDGWICK

8th BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this day of March, 2019, personally appeared, RICHARD D. SMITH, TRUSTEE OF THE RICHARD D. SMITH REVOCABLE TRUST DATED MARCH 30, 2007, ALAN F. DAVIS AND CAROL A. DAVIS, TRUSTEES OF THE ALAN F. DAVIS LIVING TRUST U/T/A DATED JUNE 5, 2007 AND JOHN M. WASHBURN, to me personally known to be the identical person(s) who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My appointment Expires: 8/4/20

David T. Jervis
Notary Public

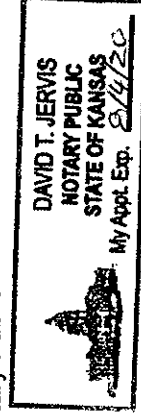


Exhibit A by Lease

Lease name	Dated	Between Lessor	And Lessee	Book	Page	Legal Description	County	State
Klaassen A	8/3/1979	Rolland E. Klaassen and Mildred V. Klaassen, his wife	J. Fred Hambright	342	27	The North Half (N/2) of Sec. 24, Township 25S, Range 3 East	Butler	KS