

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 DRLD/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)
		Circle FSL/FNL	Circle FEL/FWL		
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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: _____

BERDEAN #1 AND KRISTA #1, RAWLINS COUNTY, KANSAS

PARTICIPATION AGREEMENT

This AGREEMENT made and entered into this 19^m day of August, 2019 by and between Tom's Oil and Mike Kelso DBA Kelso Oil & Gas, Inc. hereinafter called "Purchaser".

WHEREAS, Tom's Oil is the owner of an oil and gas lease, covering the following described Real Estate, to wit:

The East Half (E/2) of Section Twenty-Five (25), Township One (1), Range Thirty-Three (33), West of the 6th PM.

NOW THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. In consideration of the payment of \$ 14,000, TOM'S OIL agrees to sell and assign to Purchaser an undivided 25% described 7/8^{ths} working interest in the above-described leasehold acreage, hereinafter referred to as the "Lease". Said sum is payable upon execution of this Agreement.
2. Within a reasonable amount of time, TOM'S OIL agrees to re-enter the well on the above-described Lease. During the re-entry process, all decisions shall be made by TOM'S OIL, including, but not limited to, testing and whether the well is a commercial producer and casing should be set. Neither TOM'S OIL nor its agent(s) warrant or represent that said re-entry prospect on said Lease will be a commercial producer.
3. Purchaser acknowledges that said Lease provides for the usual one-eighth (1/8th) landowner royalty. The actual total net revenue interest payable to all working interest owners will be an 85% NRI.
4. It is further agreed that in the event an oil string is set in the well, Purchaser shall pay to TOM'S OIL Purchaser's proportionate share of the cost, at market value, of the oil casing and the cementing thereof and the cost which may be incurred in the testing, mudding and acidizing of said well. In the event that said well is completed as a commercial producer, Purchaser then agrees to pay Purchaser's estimated proportionate share of the cost to complete and equip said oil and/or gas well and any and all other necessary equipment, abstracting, material, machinery, and supplies to be used in the storage and marketing of any production derived from said Lease. Payment for Purchaser's estimated proportionate share of the costs and expenses hereunder shall be paid to TOM'S OIL within ten (10) days after being billed.
5. It is agreed that in the event Purchaser fails, neglects or refuses to pay Purchaser's proportionate share of such expenses and charges as herein set forth, then TOM'S OIL or its assigns may select one of the following options to remedy Purchaser's breach:

- (a) The unpaid bill or portion shall draw interest at the rate of 18% per annum, until paid and Purchaser hereby gives and grants to TOM'S OIL a lien against such interest of said Purchaser for the amount of said unpaid bill with the right to collect and receive all Purchaser's income from said Lease until the unpaid indebtedness is paid in full; or
 - (b) TOM'S OIL shall declare this Agreement null and void and all Purchaser's rights, title and interest shall be terminated, whereupon all money paid hereunder shall be retained by TOM'S OIL as liquidated damages for said nonperformance, and TOM'S OIL shall thereupon be entitled to ownership of Purchaser's interest in the leasehold estate herein. In the event TOM'S OIL exercises its option to terminate this Agreement, all parties will thereupon be released from further liability hereunder.
6. It is agreed that no assignment need be made to Purchaser of Purchaser's interest in the Lease until there is commercial oil and/or gas production on said Lease and Purchaser has paid all expenses related to the drilling and development of said oil well.
 7. Purchaser understands that TOM'S OIL shall be the operator of and have exclusive control of and management of the operation and development of said Lease for the benefit of the parties hereto. The operator shall not permit or suffer any lien or encumbrance to be filed or to remain against the Leasehold as a result of its operations hereunder. If at any time TOM'S OIL elects not to operate the Lease, it shall have the exclusive right to contract with another person or entity to operate the Lease. The operator of the Lease shall receive reasonable compensation for operational services.
 8. It is further understood and agreed that TOM'S OIL or its designees shall have the authority as operator of said Leasehold on behalf of all the working interest owners to sell any Leasehold equipment, contract for any work and services, to purchase any supplies and equipment on or for said Leasehold or wells thereon which in its judgment are advisable, to collect damages and insurance claims, to bring lawsuits and to employ counsel for the prosecution or defense of any claims that may result from the operation and management of said Lease. Purchaser hereby appoints TOM'S OIL as Purchaser's agent and attorney-in-fact for the foregoing.
 9. Notwithstanding any of the foregoing, in the event the said Lease produces oil or gas in commercial quantities, Purchaser agrees and Purchaser's signature hereto binds Purchaser to sign a standard operating agreement A.A.P.L. Form 610-1977 or a similar operating agreement, at the request of the operator.
 10. Purchaser understands that Purchaser has the right under Kansas Law to partition the leasehold estates, but nonetheless hereby waives that right in exchange for the following buyout provision. In the event Purchaser desires to cease participation in the Lease, Purchaser shall notify TOM'S OIL, in writing, of Purchaser's intention to cease participation. Upon notification, if within the first two (2) years of investment, TOM'S OIL shall have sixty (60) days to buy the Purchaser's interest at the amount of Purchaser's investment. If TOM'S OIL fails to buy Purchaser's interest, Purchaser may exercise Purchaser's rights under the law.

11. This agreement shall be binding upon the heirs, executors, administrators, devisees, and assigns of the parties and cannot be varied or altered orally as it represents the complete agreement of the parties.

PLEASE EXECUTE AND RETURN THIS AGREEMENT ALONG WITH PAYMENT TO INSURE YOUR POSITION IN THIS PROJECT.

BERDEAN #1 AND KRISTA #1, RAWLINS COUNTY, KANSAS

PERCENT OF INTEREST	APPROX. PURCHASE PRICE
1/32 nd	\$2,000.00
1/16 th	\$4,000.00
1/8 th	\$8,000.00
1/4 th	\$16,000.00

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

TOM'S OIL

By: Thomas W. Wiesner

THOMAS WIESNER
3108 E. 13TH
HAYS, KS 67601
785-650-4352

PURCHASER:

Mike Kelso

Signature

Mike Kelso

Printed Name

P.O. Box 209

Address

Chase KS 67524

City State Zip Code

620-562-8088

Contact Phone

e-mail

MIKE KELSO OIL INC

1119 South Main · Post Office Box 467 · Chase, Kansas 67524 · USA
Telephone: 1-620-938-2943
KCC# 31528

Mike D. Kelso
Email: mike@mikestesting.com
Cell: 620-562-8088

SENT VIA KOLAR

July 20, 2017

Kansas Corporation Commission
Oil and Gas Conservation Division
Mr. Joshua Wright
266 North Main Street, Suite 220
Wichita, Kansas 67202-1513

Dear Mr. Wright:

I Mike D. Kelso am a Managing Member of Mike Kelso Oil Inc, a Kansas corporation with an active KCC license that operates wells in the State of Kansas. I Mike D. Kelso am also a Managing Member of Kelso Oil and Gas Inc, a Kansas corporation that owns investments including but not limited to non-operated interests in various oil and gas wells in Kansas and in other states.

Kindest regards,



Mike D. Kelso

KELSO