

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 \_\_\_\_\_

Side Two

**Must Be Filed For All Wells**

KDOR Lease No.: \_\_\_\_\_

\* Lease Name: \_\_\_\_\_ \* Location: \_\_\_\_\_

Well No.	API No. (YR DRDL/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)
_____	_____	<i>Circle</i> FSL/FNL	<i>Circle</i> FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	FEL/FWL	_____	_____
_____	_____	FSL/FNL	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: \_\_\_\_\_

THIS AGREEMENT, Entered into this the 4<sup>th</sup> day of April, 19 74  
between Argel M. Lee and Joan Lee, his wife

hereinafter called lessor,  
and F. G. Holl hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of One or 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 unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, and operating for, producing, and saving all of the oil, gas, casinghead gas, casinghead gasoline and all other gases and their respective constituent vapors, 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, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in the County of Pratt,

State of Kansas, and described as follows:  
Northwest Quarter of Section 28, and the Northeast Quarter of  
Section 29, Township 29 Range 13W, and containing 320 acres, more or less.

2. This lease shall remain in force for a term of 5 (Five) 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 monthly pay lessor as royalty on gas marketed from each well where gas only is found, one-eighth (1/8) of the proceeds if sold at the well, or if marketed by lessee off the leased premises, then one-eighth (1/8) of its market value at the well. The lessee shall pay the lessor: (a) one-eighth (1/8) of the proceeds received by the lessee from the sale of casinghead gas, produced from any oil well; (b) one-eighth (1/8) of the value, at the mouth of the well, computed at the prevailing market price, of the casinghead gas, produced from any oil well and used by lessee off the leased premises for any purpose or used on the leased premises by the lessee for purposes other than the development and operation thereof. Lessor shall have the privilege at his own risk and expense of using gas from any gas well on said land for stoves and inside lights in the principal dwelling located on the leased premises by making his own connections thereto.

Where gas from a well or wells, capable of producing gas only, is not sold or used for a period of one year, lessee shall pay or tender as royalty, an amount equal to the delay rental as provided in paragraph (5) hereof, payable annually at the end of each year during which such gas is not sold or used, and while said royalty is so paid or tendered this lease shall be held as a producing property under paragraph numbered two hereof.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the 4<sup>th</sup> day of April, 19 74 this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in the Peoples Bank at Pratt, Kansas, 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 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. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount hereinabove provided, and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. In case 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, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. 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, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. 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 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 and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

10. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells 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. If at any time there be as many as four parties entitled to rentals or royalties, lessee may withhold payments thereof unless and until all parties designate, in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties, and their respective successors in title.

11. 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.

12. Notwithstanding anything in this lease contained to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its terms shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for drilling a well within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

14. 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.

15. 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.

16. Lessee is hereby expressly granted the right and privilege (which Lessee may exercise at any time either before or after production has been obtained upon this premises or any premises consolidated herewith) to consolidate the gas leasehold estate created by the execution and delivery of this lease, or any part or parts thereof, with any other gas leasehold estate or estates to form one or more gas operating units of approximately 640 acres each. If such operating unit or units is so created by Lessee, Lessor agrees to accept and shall receive out of the gas production from each such unit such portion of the gas royalty as the number of acres out of this lease placed in such unit bears to the total number of acres included in such unit. The commencement or completion of a well, or the continued operation or production of gas from an existing well, on any portion of an operating unit shall be construed and considered as the commencement or completion of a well, or the continued operation of, or production of gas from, a well on each and all of the lands within and comprising such operating unit; provided, that the provisions of this paragraph shall not affect the payment or non-payment of delay rentals with respect to portions of this premises not included in a unit, but this lease as to such portions of this premises not included in a unit, shall be deemed to be a separate lease. In the event portions of the above described lands are included in several units, each portion so included shall constitute a separate lease, and the particular owner or owners of the lands under each separate lease shall be solely entitled to the benefits of and be subject to the obligations of lessor under each separate lease. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the consolidated acreage.

17. 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.

(SEAL) \_\_\_\_\_  
(SEAL) \_\_\_\_\_  
(SEAL) \_\_\_\_\_  
(SEAL) \_\_\_\_\_  
Argel M. Lee (SEAL)  
Joan Lee (SEAL)  
Joan Lee (SEAL)  
(SEAL) \_\_\_\_\_ (SEAL)

Return to:  
**F. G. HOLL**  
6427 EAST KELLOGG  
WICHITA, KANSAS 67207

609

STATE OF KANSAS } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)  
COUNTY OF PRATT

Before me, the undersigned, a Notary Public, within and for said county and state, on this 4th  
day of April, 19 73, personally appeared Argel M. Lee  
and Joan Lee

to me personally known to be the identical person 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 commission expires August 27, 1974

J R Blythe  
Notary Public.

STATE OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)  
COUNTY OF \_\_\_\_\_

Before me, the undersigned, a Notary Public, within and for said county and state, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19 \_\_\_\_\_, personally appeared \_\_\_\_\_  
and \_\_\_\_\_

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me  
that \_\_\_\_\_ executed the same as \_\_\_\_\_ 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 commission expires \_\_\_\_\_  
Notary Public.

STATE OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR CORPORATION  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, A. D., 19 \_\_\_\_\_, before me, the undersigned, a Notary Public  
in and for the county and state aforesaid, personally appeared \_\_\_\_\_  
to me personally known to be the identical person who signed the name of the maker thereof to the within and foregoing  
instrument as its \_\_\_\_\_ President and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free and  
voluntary act and deed, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires \_\_\_\_\_  
Notary Public.

No. \_\_\_\_\_

**OIL AND GAS LEASE**

FROM Argel M. Lee et ux

TO F. G. Holl

Date \_\_\_\_\_, 19 \_\_\_\_\_

Section \_\_\_\_\_ Twp \_\_\_\_\_ Rge. \_\_\_\_\_

No. of Acres \_\_\_\_\_ Term \_\_\_\_\_ County \_\_\_\_\_

STATE OF Kansas } ss:  
County of Pratt

This instrument was filed for record on the  
23rd day of July 19 73  
at 8:30 o'clock A. M., and duly recorded  
in Book 184 Page 609  
the records of this office.  
By Mary J. Jones  
Register of Deeds.

When recorded, return to F. G. HOLL  
6427 EAST KELLOGG  
WICHITA, KANSAS 67207

THE KANSAS BLUE PRINT CO.  
WICHITA, KANSAS  
PHOTOSTAT SERVICE-UP-TO-DATE OIL MAPS

Original Compared With Record

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged.  
For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF \_\_\_\_\_ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans., Okla., and Colo.)  
COUNTY OF \_\_\_\_\_

Before me, the undersigned, a Notary Public, within and for said county and state, on this \_\_\_\_\_  
day of \_\_\_\_\_, 19 \_\_\_\_\_, personally appeared \_\_\_\_\_  
and \_\_\_\_\_

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me  
that \_\_\_\_\_ executed the same as \_\_\_\_\_ 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 commission expires \_\_\_\_\_  
Notary Public.

Additional Surface owner (NW/4 of Sec. 28-29S-13W & NE/4 of Sec. 29-29S-13W):

Wayne & Rhonda Maass  
4001 Garden Lane  
Cheney, Kansas 67025

**BILL OF SALE**

**KNOW ALL MEN BY THESE PRESENTS THAT:**

**WHEREAS, F.G Holl Company, L.L.C. at 9431 E. Central, Ste 100, Wichita KS 67206,** is the Operator (“Operator” herein) of the following oil and gas lease (“Lease”):

Lease Name: **LEE-29 (649)**  
Dated: 4/4/1973  
Lessors: Lee, Argel M.: Lee, Joan  
Lessee: F. G. Holl  
Leased Premises: Sec. 29-29S-13W: NE/4  
Recorded: Book 124, Page 609, Register of Deeds Pratt County, KS

**WHEREAS, this Lease has expired due to non-development thereupon, and to non-production therefrom;**

**WHEREAS, Indian Oil Co. Inc., at 2563 SE US HWY 160, Medicine Lodge, KS,** hereinafter called “Purchaser” desires to buy all existing equipment in place and other tangible property thereupon, including but not limited to the well bore, casing and tubing; **NOW THEREFORE,** the undersigned parties hereto (“Parties”), enter into this Agreement (“Agreement”) which shall be as follows: *men A*

1. For and in consideration of **Purchase Price** [redacted] as agreed upon and negotiated between **Purchaser** and **Operator** with reference to 100% Working Interest value in the above Lease, the receipt of which is hereby acknowledged, **Operator** does hereby sell and transfer unto **Purchaser** all of the Lease equipment located on said lease together with all other tangible property thereupon, including but not limited to the well bore, casing and tubing, but without any warranty of title or condition, express or implied.
2. **Purchaser** assumes all liability with respect to the property transferred from the effective date hereof, including all surface remediation.
3. **Purchaser** agrees to pay **Operator** by cashier’s check, at closing, the **Purchase Price** as to 100% working interest.
4. Time is of the essence for the purpose of this **Agreement**. Upon closing, which shall be attempted to take place on or before September 11, 2019, **Operator** and **Purchaser** shall immediately file the Operator Transfer form with KCC to transfer operations on all of **Operator**’s wells subject to the above **Leases**. **Purchaser** shall execute this **Agreement** upon acceptance, and **Operator** shall place his signature at closing, at which time this Bill of Sale shall be binding upon both **Parties**.
5. This **Agreement** represents the final understanding between the **Parties**, which supersedes all previous agreements, verbal or written, pertaining to the matter hereof. It shall be binding upon said **Parties**, their successors, assigns and legal representatives.

DATED this 16<sup>th</sup> day of September 2019, but effective September 1, 2019.

INDIAN OIL CO., INC.

*[Signature]*  
Anthony Farrar, President

F. G. HOLL COMPANY, LLC

*[Signature]*  
Margery L Nagel, Managing Member

State of KANSAS County of SEDGWICK

This instrument was acknowledged before me this 16<sup>th</sup> day of September, 2019 by ANTHONY FARRAR, President of INDIAN OIL CO., INC.

My Commission Expires: 4/30/2022 Notary Public: Betty H. Spotswood *[Signature]*



State of KANSAS County of SEDGWICK

This instrument was acknowledged before me this 16<sup>th</sup> day of September, 2019 by MARGERY L. NAGEL, Managing Member of F. G. HOLL COMPANY, LLC

My Commission Expires: 4/30/2022 Notary Public: Betty H. Spotswood *[Signature]*





## PAID UP OIL AND GAS LEASE

THIS LEASE AGREEMENT is made as of the 25 day of July, 2019 between **Bruce and Geneva Krehbiel, husband and wife, AND Barbara J. Krehbiel, Trustee of the Barbara J. Krehbiel Revocable Trust dated July 8, 1999**, as lessor (whether one or more), and **Indian Oil Co., Inc.**, a Kansas Corporation, as Lessee.

1. **Grant of Leased Premises.** In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises (use Exhibit "A" for long description):

The Northeast Quarter (NE/4) of Section 29, Township 29 South, Range 13 West of the 6<sup>th</sup> P.M.

all in the County of Pratt, State of Kansas, and containing 160 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and nonhydrocarbon substances produced in association therewith ("Oil and Gas Substances"). The term "gas" as used herein includes helium, carbon dioxide, gaseous sulfur compounds, methane produced from coal formations and other commercial gases, as well as normal hydrocarbon gases. In addition to the above-described land, this lease and the term "leased premises" also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described land, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any payments based on acreage hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. **Ancillary Rights.** The rights granted to Lessee hereunder shall include the right of ingress and egress on the leased premises or lands pooled or unitized therewith, along with such rights as may be reasonably necessary to conduct operations for exploring, developing, producing and marketing Oil and Gas Substances, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to explore, discover, produce, store, treat and/or transport Oil and Gas Substances and water produced from the leased premises or other lands that share central facilities and are jointly operated with the leased premises for gathering, treating, compression and water disposal. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled or unitized therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled or unitized therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 150 feet from any house or barn now on the leased premises or other lands of Lessor used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee agrees to notify lessor either in writing or verbally, where new locations, tank batteries, and ingress/egress routes are to be made prior to any dirtwork being commenced. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

3. **Term of Lease.** This lease shall be in force for a primary term of four (4) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced from the leased premises or from lands pooled or unitized therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof. If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the leased premises, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If lessee fails to notify Lessor within the aforesaid fifteen-day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.

4. **Operations.** If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled or unitized therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of this lease or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences further operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled or unitized therewith within 120 days after completion of operations on such dry hole or within 120 days after such cessation of all production. If after the primary term this lease is not otherwise being maintained in force, but Lessee is then engaged in Operations, as defined below, this lease shall remain in force so long as any one or more of such Operations are prosecuted with no interruption of more than 120 consecutive days, and if any such Operations result in the production of Oil and Gas Substances, as long thereafter as there is production from the leased premises or lands pooled or unitized therewith. As used herein, the term Operations shall mean any activity conducted on or off the leased premises that is reasonably calculated to obtain or restore production, including without limitation, (i) drilling or any act preparatory to drilling (such as obtaining permits, surveying a drill site, staking a drill site, building roads, clearing a drill site, or hauling equipment or supplies); (ii) reworking, plugging back, deepening, treating, stimulating, refitting, installing any artificial lift or production-enhancement equipment or technique; (iii) constructing facilities related to the production, treatment, transportation and marketing of substances produced from the lease premises; (iv) contracting for marketing services and sale of Oil and Gas Substances; and (v) construction of water disposal facilities and the physical movement of water produced from the leased premises.

5. **Shut-in Royalty.** If after the primary term one or more wells on the leased premises or lands pooled or unitized therewith are capable of producing Oil and Gas Substances in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 120 consecutive days such well or wells are shut in or production therefrom is not sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of one dollar per acre then covered by this lease. The payment shall be made to Lessor on or before the first anniversary date of the lease following the end of the 120-day period and thereafter on or before each anniversary while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations under this lease, or if production is being sold by Lessee from



and for a gas well or a horizontal completion shall not exceed 1280 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well in which the horizontal component of the completion interval in the reservoir exceeds the vertical component in such interval. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. In the event a unit is formed hereunder before the unit well is drilled and completed, so that the applicable pooling criteria are not yet known, the unit shall be based on the pooling criteria Lessee expects in good faith to apply upon completion of the well; provided that within a reasonable time after completion of the well, the unit shall be revised if necessary to conform to the pooling criteria that actually exist. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. To revise a unit hereunder, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly.

**8. Payment Reductions.** If Lessor owns less than the full mineral estate in all or any part of the leased premises, payment of royalties and shut-in royalties hereunder shall be reduced as follows: royalties and shut-in royalties for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises. To the extent any royalty or other payment attributable to the mineral estate covered by this lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

**9. Ownership Changes.** The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

**10. Release of Lease.** Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases less than all of the interest or area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

**11. Regulation and Delay.** Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells, and regulation of the price or transportation of oil, gas and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provisions or implied covenants of this lease when drilling, production or other operations are so prevented or delayed.

**12. Breach or Default.** No litigation shall be initiated by Lessor for damages, forfeiture or cancellation with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

**13. Warranty of Title.** Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

**14. Right to Lease.** Lessor hereby acknowledges that Lessor has the right to lease said property, and has not signed intents to lease or entered into any brokerage agreements that may adversely affect this lease. Lessor also acknowledges that Lessor is not receiving any royalty payments for this lease and it is not held by any unit or pooling agreements. If for any reason this lease is found to be invalid, Lessor agrees to return all bonus money and other valuable consideration that changed hands during the execution of this agreement to Lessee within 15 days.

**15. Indemnity.** Lessee will indemnify and hold Lessor, its officers, directors, employees, agents, successors and assigns (hereafter collectively referred to as "Indemnified Parties") harmless from any and all claims, demands, suits, losses, damages, and costs (including, without limitation, any attorney fees) incurred by the Indemnified Parties which may be asserted against the Indemnified Parties by reason of or which may arise out of or which may be related to Lessee's activities on the leased premises (including, without limitation, any claims by any owners or lessees of minerals that Lessee's operations hereunder are either illegal, unauthorized, or constitute an improper interference with their rights).

**16. Counterparts.** This Lease may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

Bruce Krehbiel

ACKNOWLEDGEMENT

State of Kansas )  
County of Pratt ) SS.

On this 25 day of July, 2019 before me, the undersigned Notary Public in and for said county and state, personally appeared Bruce Krehbiel, as \_\_\_\_\_ for foregoing instrument, and acknowledged that the same was executed and delivered as his/her free and voluntary act of the purposes therein set forth. In witness whereof, I hereunto set my hand and official seal as the date hereinabove stated.

My commission expires 5-11-22.

*Jennifer Herren*  
Notary Public

Geneva Krehbiel  
Geneva Krehbiel



ACKNOWLEDGEMENT

State of Kansas )  
County of Pratt ) SS.

On this 25 day of July, 2019 before me, the undersigned Notary Public in and for said county and state, personally appeared Geneva Krehbiel, known to me to be the person or persons whose names are subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as his/her free and voluntary act of the purposes therein set forth. In witness whereof, I hereunto set my hand and official seal as the date hereinabove stated.

My commission expires 5-11-22.

*Jennifer Herren*  
Notary Public

Barbara J. Krehbiel, Trustee  
Barbara J. Krehbiel, Trustee  
Barbara J. Krehbiel Revocalbe Trust dated July 8, 1999



ACKNOWLEDGEMENT

State of Kansas )  
County of Pratt ) SS.

On this 25 day of July, 2019 before me, the undersigned Notary Public in and for said county and state, personally appeared Barbara Krehbiel, known to me to be the person or persons whose names are subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as his/her free and voluntary act of the purposes therein set forth. In witness whereof, I hereunto set my hand and official seal as the date hereinabove stated.

My commission expires 5-11-22.

*Jennifer Herren*  
Notary Public

