

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
July 2014

Form must be Typed
Form must be Signed
All blanks must be Filled

**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check Applicable Boxes:

- Oil Lease: No. of Oil Wells _____ **
- Gas Lease: No. of Gas Wells _____ **
- Gas Gathering System: _____
- Saltwater Disposal Well - Permit No.: _____
Spot Location: _____ feet from N / S Line
_____ feet from E / W Line
- Enhanced Recovery Project Permit No.: _____
Entire Project: Yes No
Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: _____

KS Dept of Revenue Lease No.: _____

Lease Name: _____

_____ Sec. _____ Twp. _____ R. E W

Legal Description of Lease: _____

County: _____

Production Zone(s): _____

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: _____

Oil / Gas Purchaser: _____

Date: _____

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ . Recommended action: _____

Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____ .

Date: _____
Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____

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**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: _____

LETTER AGREEMENT TO BUY SELL OIL AND GAS LEASES

This amended agreement reduces to writing the agreement between Clair Oil Inc., as Seller and Prospect Oil & Gas Corp., as Buyer, of the following Oil & Gas Leases. Seller originally agreed to assign Buyer 100% working interest in said leases. It has been brought to our attention that the Seller does NOT have 100% of the working interest. Buyer is buying all equipment currently on said leases, along with the leaseholds. The purchase price originally was \$165,000.00, for 100% of the working interest. Since 100% of the working interest will not be received, we have broken down the new offering price of \$145,929.99 per lease as follows: The purchase price is based upon the average barrels sold, the original selling price of \$165,000 & the percentage of working interest that will be sold. These numbers have been furnished by your bookkeeper.

Bowlby A – 100% is available to purchase -

The North Half (N/2) of Section Twenty-four (24), Township Eleven (11), South, Range (16) West of the 6th P.M., Ellis County, Kansas. NRI .875

Bowlby – 87.50% is available to purchase -

The South Half of the Northwest Quarter (S/2 NW/4) of Section Twenty-four (24), Township Eleven (11) South, Range Sixteen (16) West of the 6th P.M., Ellis County, Kansas. NRI .8476560

Bowlby #2 Injection Well

The West Half (W/2) of the SE SE SW of Section Twenty-four (24) Township Eleven (11) South Range Sixteen (16) West of the 6th P.M., Ellis County Kansas.

Chrisler – 84.70% is available to purchase -

The North Half (N/2) of Section Twenty-five (25), Township Eleven (11) South, Range Sixteen (16) West of the 6th P.M., Ellis County Kansas. NRI .8203125

Murphy – 98.40% is available to purchase -

The East Half (E/2) of Section Twenty six (26), Township Eleven (11) South, Range Sixteen (16) West of the 6th P.M., Ellis County, Kansas. NRI .8203125

Seller has plugged the Murphy well #2, in accordance with KCC rules.

Seller agrees to provide buyer with 2 projects worked up by Kirk Rundle Consulting at closing.

The effective date of said sale shall be December 1st, 2019.

Property taxes will be prorated with the seller paying thru November 30, 2019

Oil in tanks will be gauged December 1, 2019, with a Prospect Oil & Gas representative present. All oil above pipeline will be the property of Clair Oil, Inc., operator. Absolutely no pushing of the gun barrels will be allowed.

Seller will be responsible for execution of all assignments: Assignments will show Prospect Oil & Gas Corp. as the purchaser. As soon as Prospect Oil & Gas Corp. has received the assignments, Prospect will write out checks to each investor, per the enclosed allocation sheet.

These terms are agreed to and signed by:

Clair Oil, Inc.

Prospect Oil & Gas, Corp.

BY: Felisa Clair *Felisa Clair* Brad J. Hutchison *Brad Hutchison*