

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 _____

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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: _____

Assignment, Bill of Sale and Conveyance

STATE OF KANSAS §
 §
COUNTY OF STEVENS §

KNOW ALL MEN BY THESE PRESENTS:

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this “Assignment”), dated EFFECTIVE October1, 2012, is made from ELM III, LLC, an Oklahoma Limited Liability Corporation, whose mailing address is 1249 East 33rd, Edmond, OK 73013 (the “Assignor”), to Derrick Resources, P.O. Box 306, Henryetta, OK 74437 (the “Assignee”).

**ARTICLE I
Granting and Habendum**

For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt, and sufficiency of which are hereby acknowledged, Assignor does hereby grant, bargain, sell, transfer, convey, set over, assign and deliver unto Assignee, its successors and assigns, effective for all purposes as of the Effective Time and subject to the matters set forth herein, the Assets.

A. The oil, gas and/or mineral leases specifically described in Exhibit A (the “Leases”), and all rights to produce hydrocarbons in and from the wells described in Exhibit A and the oil, gas and other hydrocarbons (the “Hydrocarbons”) attributable to the wellbore, including all rights in any pooled, unitized or communitized acreage by virtue of the Lands or Leases being a part thereof and all Hydrocarbons produced from the pool or unit allocated to any such wellbore.

B. The wells specifically described in Exhibit A (the “Wells”), together with all other oil and gas wells and all water, injection and disposal wells on the Lands or on lands pooled, communitized or unitized therewith, whether producing, shut-in or temporarily abandoned, and all personal property, equipment, fixtures, improvements, permits, water discharge permits, gathering lines, rights-of-way and easements located on the Lands or used in connection with the production, gathering, treatment, processing, storing, transportation, sale or disposal of Hydrocarbons or water produced from the properties and interests described in Section A above;

C. The unitization agreements, operating agreements and unit operating agreements and all other such agreements relating to the properties and interests described in Sections A and B above and to the production of Hydrocarbons, if any, specifically attributable to said properties and interests, (the “Contracts”) but excluding any contracts, agreements or instruments to the extent transfer would result in a violation of applicable law or is subject to a Required Consent that is not waived by Assignee or obtained or otherwise satisfied by Assignor;

D. All existing and effective sales, purchase, exchange, gathering, compressor rental and service agreements and other contracts, agreements and instruments which specifically relate, and only insofar as they relate, to the properties and interests listed in Sections A and B above;

TO HAVE AND TO HOLD the Assets, together with all and singular the rights, privileges, contracts and appurtenances, in any way appertaining or belonging thereto, unto Assignee, its successors and assigns, forever, subject to the matters set forth herein.

**ARTICLE II
Acceptance and Assumption**

Assignee hereby accepts the assignment of the Assets and hereby assumes, and agrees to defend, indemnify and hold harmless Assignor from and against, any and all

Claims (as defined below) attributable to or resulting from the ownership or operation of the Assets, whether arising before or after the date of this Assignment. For purposes hereof, "Claims" means any and all demands, losses, liabilities, damages, obligations, expenses, fines, penalties, costs, claims, causes of action and judgments for: (a) breaches of contract; (b) loss or damage to property, injury to or death of persons (including illness and disease), and other tortious injury; (c) violations of applicable laws, rules, regulations, orders or any other legal right or duty actionable at law or equity; and (d) attorneys' fees, court costs, and other costs resulting from the investigation or defense of any Claim described in the preceding clauses (a) through (c).

ARTICLE III Disclaimer

Section 3.01 NOTWITHSTANDING ANYTHING CONTAINED TO THE CONTRARY IN ANY OTHER PROVISION OF THIS ASSIGNMENT, IT IS THE EXPLICIT INTENT OF EACH PARTY HERETO THAT ASSIGNOR IS NOT MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, BEYOND THOSE REPRESENTATIONS OR WARRANTIES EXPRESSLY GIVEN IN THIS ASSIGNMENT, AND IT IS UNDERSTOOD THAT, WITHOUT LIMITING SUCH EXPRESS REPRESENTATIONS AND WARRANTIES, ASSIGNEE TAKES THE ASSETS AS IS AND WHERE IS AND WITH ALL FAULTS. WITHOUT LIMITING THE GENERALITY OF THE IMMEDIATELY PRECEDING SENTENCE, ASSIGNOR HEREBY (I) EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, RELATING TO THE CONDITION OF THE ASSETS (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, OR THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIALS IN OR ON, OR DISPOSED OF OR DISCHARGED FROM, THE ASSETS); AND (II) NEGATES ANY RIGHTS OF ASSIGNEE UNDER STATUTES TO CLAIM DIMINUTION OF CONSIDERATION AND ANY CLAIMS BY ASSIGNEE FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, IT BEING THE INTENTION OF ASSIGNOR AND ASSIGNEE THAT THE ASSETS ARE TO BE ACCEPTED BY ASSIGNEE IN THEIR PRESENT CONDITION AND STATE OF REPAIR.

ARTICLE IV Miscellaneous

Section 4.01 No Third Party Beneficiaries. Nothing in this Assignment shall provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the parties hereto that this Assignment shall otherwise not be construed as a third party beneficiary contract.

Section 4.02 Assignment. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 4.03 Governing Law. This Assignment, other documents delivered pursuant hereto and the legal relations between the parties hereto shall be governed and construed in accordance with the laws of the State of Kansas, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction.

Section 4.04 Counterpart Execution. This Assignment may be executed in any number of counterparts, and each counterpart hereof shall be effective as to each party that executes the same whether or not all of such parties execute the same counterpart. If counterparts of this Assignment are executed, the signature pages from various counterparts may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

IN WITNESS WHEREOF, this Assignment is executed by the parties on the date of their respective acknowledgments below and shall be effective October 1, 2019.

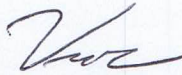
ASSIGNOR:

ELM III, LLC


Edward L. Markwell, III, President

ASSIGNEE:

Derrick Resources, Inc.

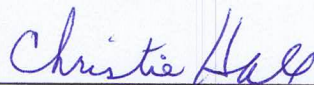

Vince Coble, President, President

ACKNOWLEDGMENTS

STATE OF OKLAHOMA §
COUNTY OF OKLAHOMA §

The foregoing instrument was acknowledged before me this 15th day of October, 2019, by Edward L. Markwell, III, as President of ELM III, LLC, on behalf of said limited liability company.

WITNESS my hand and official seal.


Notary Public, State of Oklahoma
Printed Name: Christie Hall
My Commission Expires: 11/19/2022

STATE OF OKLAHOMA §
COUNTY OF Okla §

The foregoing instrument was acknowledged before me this 15th day of October, 2019, by Vince Coble, as President of Derrick Resources, Inc. on behalf of said Company and in the capacity therein stated.

WITNESS my hand and official seal.

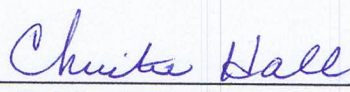

Notary Public, State of
Printed Name: Christie Hall
My Commission Expires: 11/19/2022

Exhibit "A"
**To that certain Assignment and Bill of Sale from ELM III, Seller to
Derrick Resources, Inc., Buyer,
Effective October 1, 2019
located in Stevens County, Kansas**

1. Lessor: Guy S. Speakman, et ux
Lessee: TJ Wagner, Jr.
Date: July 27, 1943
Book: 12 Page: 205
Legal Description: NE ¼ Section 31-T33S-R38W, Stevens County, Kansas
2. Lessor: TW Sughrue
Lessee: Joe E. Denham
Date: October 21, 1942
Book: 12 Page: 533
Legal Description: SW/4 Section 10-T32S-R38W, Stevens County, Kansas
3. Lessor: Frank F. Albritten, et ux
Lessee: Republic Natural Gas Company
Date: July 5, 1944
Book: Page:
Legal Description: Section 21-T33S-R36W, Stevens County, Kansas
4. Lessor: JH Newman
Lessee: Republic Natural Gas Company
Date: February 8, 1941
Book: 10 Page: 308
Legal Description: W/2 W/2 Section 30-T32S-R37W, Stevens County, Kansas
5. Lessor: James O'Dea, et al
Lessee: Northern Natural Gas Company
Date: March 18, 1943
Book: 12 Page: 26
Legal Description: E/2 Section 4-T31S-R35W, Stevens County, Kansas
6. Lessor: ML Leonard
Lessee: The Stevens County Oil and Gas Company
Date: March 6, 1939
Book: 9 Page: 535
Legal Description: Section 3-T32S-R38W, Stevens County, Kansas
7. Lessor: Vera Simpson, et al
Lessee: JE Denham
Date: July 16, 1943
Book: 12 Page: 115
Legal Description: SE ¼ Section 12-T33S-R38W, Stevens County, Kansas
8. Lessor: EO Squire, et ux
Lessee: Panhandle Eastern Pipeline Company
Date: May 9, 1944
Book: 12 Page: 419
Legal Description: SW ¼ Section 12-T33S-R38W, Stevens County, Kansas
9. Lessor: Bruce Smith, et ux
Lessee: Panhandle Eastern Pipeline Company
Date: April 27, 1943
Book: 11 Page: 591
Legal Description: NW ¼ Section 12-T33S-R38W, Stevens County, Kansas

It is Grantor's intent to convey all right, title and interest in and to the following wells and associated equipment, whether or not same are fully or completely described herein:

Dowdy A-2 Section 31-T33S-R38W, API # 1518922167

HJV Flummerfelt Section 10-T33S-R39W, API # 1518922355

HJV Ponder Section 10-T32S-R38W, API # 1518922446

HJV Albritten A-1 Section 21-T33S-R36W, API # 1518922446

Schmidt C-1 Section 30-T32S-R37W, API # 1518920551

James O'Dea C NW NE Section 4-T31S-R35W, API # 1518920922

Kelly D-1 Section 22-T34S-R39W, API # 1518921103

Leonard B-4 Section 3-T32S-R38W, API # 1518922440

McClure D-5 Section SW NW SE 33-T31S-R38W, API # 1518922371

Smith N-1 Section 12-T33S-R38W, API # 1518920420