

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: _____

OPERATING AGREEMENT

Operator: Popp Operating Company
191 NE 150 RD.
PO Box 187
Hoisington, KS 67544
KCC Code # 32325

Owner: Core Energy, LLC
14208 Nieman RD
Overland Park, KS 66221

Effective Date: February 1, 2020
attachment "A" of this document.

The Lease: Wagner Unit- More fully described in

1. **Designation of Operator.** Operator is engaged hereunder by Owners to operate for the production of oil certain working interests in the Lease owned by Owners solely as an independent contractor operating under the governed by this Agreement. Operator shall maintain it good standing with the Kansas Corporation Commission, Oil and Gas Conservation Division, and shall be listed as the operator of record for the Lease with the Oil and Gas Conservation Divisions as to the Lease, subject to paragraph 10 below. However, Operator shall not incur any liability for plugging any of the wells located upon the Lease or obtain any Ownership of the Lease or any personal property located thereon as a result of this agreement or as the designation of Operator as the operator of record for the Lease with the Kansas Corporation Commission, Oil and Gas Conservation Division.
2. **Liability of Operator.** Operator, shall not be liable for errors of business judgment or mistakes unless such errors or mistakes result from gross negligence or willful misconduct, and Operator may rely on the advice of counsel for any legal matters, and actions taken upon such advice shall be deemed in good faith Owners agree to indemnify, hold harmless and exonerate Operator from any and all claims by any other Owners of the Lease, any third party, or any governmental or state agency or administrative body, based upon the Operation of the Lease.
3. **Operating Expenses and Production Revenue.** All income and liabilities accrued and incurred in the operation of the lease shall be borne exclusively by Owners.
4. **Necessary Equipment and Materials.** Operator, at its sole option may elect to 1) provide all labor, equipment and materials ancillary to the operating activities and be reimbursed for all equipment and materials furnished by Operator at Operator's standard prices for such labor, equipment and materials; or 2) require Owners to purchase all equipment and materials directly and subsequently provide the same to Operator to be used in operating the Lease. Owners SHALL provide all equipment and materials ancillary to the production operations upon the Lease. In the event Owners fail to provide all equipment and materials ancillary to the production operations upon the Lease. Operator shall have the right but not the Obligation to purchase the same and to be reimbursed by Owners for said equipment and materials paid for by Operator. The operator shall receive in addition to reimbursement for all costs incurred and also in addition to Operator's

standard prices for any labor, equipment or materials supplied, an administrative fee as set forth in Exhibit B attached hereto and by reference made a part hereof, for the duration of this agreement.

5. **Administrative Fee and Reimbursement.** Owners shall pay Operator the amount set forth in Exhibit B, on the first of every month, Operator, will invoice Owners at the end of every month for any additional charges, or expenses incurred in operation the wells, located upon the Lease, during said month Owners shall pay said invoice in full within ten (10) days after the last day of the month during which said additional charges and expenses were incurred by Operator.
6. **Lien in Favor of Operator.** Operator is given a first and preferred lien on the interest of the Owners in oil and gas produced and the proceeds thereof to secure the payment of all sums due from Owners. In the event Owners fails to pay any fee, cost or expense within the time limit described above, Operator, without prejudice to other existing remedies, is authorized, at its election, to collect from the purchaser or purchasers of oil or gas, the proceeds accruing to the interest of any Owner up to the amount owing by said Owner, and each purchaser of oil or gas is authorized to rely upon Operator's statement as to the amount owing by said Owner. Owners hereby grant to Operator a limited power of attorney and appoints Operator as its attorney in fact, empowered only with the limited authority to collect from the purchaser or purchasers of the oil and gas, the proceeds accruing to the interest of the Owners pursuant to the terms of this paragraph. Owners empower Operator to withdraw said proceeds from said oil and gas purchaser or purchasers, for the purposes set forth in this paragraph, without further authorization or consent by Owners. Owners hereby waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph. This paragraph shall in no way limit any of Operator's rights or remedies against Owners as a result of any Owners breach of this Agreement. Any billing (joint interest billing) submitted to the Owners by Operator which is not either paid in full or disputed in writing within 45 days after issuance thereof by Operator shall be deemed accurate and all charges, expenses and fees thereon shall be deemed correct to be correct and due and owing by the owner to whom such billing was submitted and shall not be subject to dispute, adjustment or contestation for any reason. Any charges, fees, expenses, accountings or other matters which are more than 90 days old shall be deemed to have been correct and shall not be subject to challenge, dispute, audit or adjustment for any reason. Owners may audit or review any of Operator's books or records pertaining to the leases subject to this agreement, provided however that Operator shall not be required to make available to Owners any books or records relating to expenses, operations or charges which are more than one year old. Any audit or review of Operator's books or records shall be done at the sole cost and expense of the Owner requesting such audit or review. In the event Operator retains an attorney to either recover payment of any sums due hereunder or to enforce any terms hereof, in addition to all other relief recovered, Operator shall be entitled to recover its cost and attorney fees incurred in recovering such sums of money due and owing hereunder or enforcing the terms hereof. Owner grant to Operator a lien upon Owner's working interest oil and gas rights in the lease(s) and a security interest in Owner's working interest share of oil and or gas when extracted

and its interest in all equipment, to secure payment of Owner's share of expenses and charges, together with interest thereon at a rate of fifteen (8%) per annum or the maximum rate of interest allowed by law, whichever is less and in addition to the other remedies provided in this paragraph Operator shall be entitled to exercise the rights and remedies available to a secured party under the Uniform Commercial Code.

7. **Term.** This Agreement shall remain in full force and effect until either party shall elect to terminate said agreement pursuant to paragraph 10 hereof.
8. **Insurance.** Owners shall carry all insurance necessary to protect itself from any loss or liability relating to or resulting from the Lease, including oil and saltwater spills or other environmental hazards. Operator shall not be required to carry insurance; not shall Operator bear the risk of loss of any well or other equipment damaged by Operator while operating the wells located upon the Lease. Operator shall not be liable for any spills or damages caused by Operator while operating the wells located upon the Lease unless Operator's actions have been found to be gross negligence or willful misconduct. Owners shall be responsible for plugging all abandoned or damaged wells in accordance with the applicable rules and regulations. Owners shall be responsible for ensuring that all the Lease comply with applicable statutes rules and regulations, all fines, penalties or orders issued by state or federal administrative agencies shall be directed to and paid directly by Owners.
9. **Lease Burdens.** Owners shall bear the responsibility for ensuring that all ease covenant and production requirements are complied with, Operators shall not be liable to Owners for any oil and gas lease which is terminated, forfeited, or canceled as a result of Operator's actions or inactions.
10. **Termination of Agreement.** Either party may terminate this agreement at any time by delivering written notice to the other party not less the thirty (30) days prior to the desired termination date. Upon termination of this agreement each party shall be relieved of all duties and obligations arising subsequent to the date of termination. Upon the termination of this Agreement Owners shall promptly designate a new operator with the Kansas Corporation Division, Oil and Gas Conservation Division for the Lease and all wells located thereon.
11. **Mining Partnership.** The liability of the parties shall be several, not joint or collective. Each Owner shall be responsible only for its obligations and shall be liable only for its proportionate share of the costs of developing and operating the Lease. It is not the intention of the parties to create, nor shall this agreement be construed as creating a partnership or association or to render them liable as partners or joint ventures. Owners agrees that Operator is not assuming a fiduciary relationship to Owners in performing the terms of this agreement, not shall Operator owe any duty to Owners greater than the duty of good faith and fair dealing. In their relations with each other under this agreement, the Owners shall not be considered fiduciaries or to have established a confidential relationship but rather shall be free to act on an arm's-length basis in good faith in their dealings with each other with respect to activities hereunder.
12. **Further Development.** No Owner shall cause any additional wells to be drilled upon the Lease without first giving all other Owners the opportunity to participate in the cost of drilling said well. No well which is producing in paying quantities shall be deepened,

plugged, plugged back, re-completed or sidetracked without the written consent of all remaining Owners.

13. **Waiver of Rights to Partition.** Each Owner hereto owning an undivided interest in the Lease Waives an and all rights it may have to partition and have set aside to it in severalty its undivided interest herein.
14. **Preferential Right to Purchase.** Should any Owner desire to sell all or any part of its interest in the Lease, it shall promptly give written notice to the other parties, with full information concerning its proposed disposition, which shall include the name and address of the prospective transferee (who must be ready willing and able to purchase), the purchase price, a legal description sufficient to identify the property, and all other terms of the offer. The other Owners shall then have an Optional prior right, for a period of thirty (30) days after the notice is delivered, to purchase for the stated consideration on the same terms and conditions the interest which the other Owner proposes to sell; and, if this optional right is exercised, the purchasing Owners shall share the purchased interest in the proportions that the interest of each bears to the total interest of all purchasing Owners. However, there shall be no preferential right to purchase in those cases where any Owner wishes to mortgage its interests, or to transfer title to its interest to its mortgagee in lieu of or foreclosure of a mortgage of its interests, or to dispose of its interest by merger, reorganization, consolidation, or by sale of all or substantially all of its Oil and Gas assets to any party, or by transfer of its interests to a subsidiary or parent company, or to any company in which such party or any of its employees own a majority of the stock.
15. **Settlement of Claims.** Operator shall have the right to compromise, settle and adjust claim for damages which may be made by any landowner or adjoining landowner, which damage may result from the operation of the wells located upon the Lease. Owners shall reimburse Operator for any damages advanced by Operator.
16. **Force Majeure.** If any party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this agreement, other than the obligation to make monetary payments, that party shall give prompt notice to the other party of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as it is affected by the force majeure, shall be suspended during, but no longer then the continuance of the force majeure. The affected party shall use all possible due diligence to remove the force majeure as quickly as possible.
17. **Counterparts.** This agreement may be executed in one or more counterparts as to one agreement and shall be binding upon Operator and Owners, their heirs, devisees, legatees, administrators, executors, successors and assigns, when executed by Owners and Operators.
18. **Joint Drafters.** The parties shall be considered joint drafters of this Agreement so as not to construe this Agreement against one party as drafter more than the other.
19. **Severability.** If one or more of the provisions hereof shall be held to be illegal, invalid, or unenforceable, such provisions shall be deemed severable and the remaining provisions hereof shall continue in full force and effect.
20. **Amendments.** This Agreement may be amended or modified only by a written instrument executed by the Owners and Operator.

- 21. Applicable Law.** This Agreement shall be governed, construed and enforced in accordance with the laws of Kansas. The Venue of any action shall be in Miami County, Kansas.
- 22. Prior Agreements.** This Agreement, as may be amended, and the exhibits attached hereto constitute the entire Agreement between Owners and Operator with respect to the operation of the Lease and supersedes all prior Agreements and understandings between the parties hereto relating to the subject matter hereof.
- 23. Waiver.** No consent or waiver, express or implied, by either party to or any breach or default by the other party in the performance of the Agreement shall be constructed as a consent or waiver to or of any subsequent breach or default in the performance by such other party of the same or any other obligations hereunder.
- 24. Notices.** All notices permitted or required hereunder shall be deemed given upon depositing said notice in the United States mail postage prepaid addressed to the other party at the address shown above or such other address as may be subsequently designated by such party.
- 25. Time is of the Essence.** Both parties agree that time is of the essence in this Agreement and that all things to be done, must be done timely and that any delay in the performance of any obligation contained herein, no matter how slight, shall be deemed a material default under this Agreement.
- 26. Third Party Beneficiaries.** The parties stipulate and agree that this Agreement is not intended for the benefit of any third parties and that there shall be no third party beneficiaries to this Agreement who shall be entitled to enforce the terms of this Agreement against either of the parties hereto.

This Operating Agreement shall be effective on the effective date shown above.

Operator: Popp Operating, LLC

By: 
Mr. Popp - Managing Member

Owners: Core Energy, LLC

By: _____
Michael Harvey Burstein, Managing Member
Core Energy, LLC

This Operating Agreement shall be effective on the effective date shown above.

Operator: Popp Operating, LLC

By: _____
Mr. Popp - Managing Member

Owners: Core Energy, LLC

By: Michael Harvey Burstein, Managing Member
Michael Harvey Burstein, Managing Member
Core Energy, LLC