

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
April 2019
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: _____

Date: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

New Operator's Email: _____

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 _____

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: _____

(e) all inventory, supplies, tools, spare parts, rolling stock, fixtures, equipment and facilities used or held for use primarily in connection with the ownership of or operations on any of the Leases or Wells, including all such wellhead equipment, pumps, pumping units, hydrocarbon measurement facilities, compressors, tanks, buildings, treatment facilities, injection facilities, disposal facilities, compression facilities, pipe, parts, tools, telemetry devices, and other tangible personal property (the "Equipment");

(f) all Hydrocarbons produced from the Wells that are in storage or existing in stock tanks, pipelines or plants (including inventory) as of the Effective Time, and all proceeds attributable thereto; and

(g) solely to the extent related to the ownership or operation of the Assets, the following: lease files; land files, including but not limited to, unrecorded agreements related thereto; well files; gas and oil sales contract files; gas processing files; division order files; abstracts; title opinions; land surveys; non-confidential logs; maps; engineering data and reports; and other books, records, data, files, and accounting records; but, in each case, excluding any and all (i) books, records, data, files, maps and accounting records to the extent disclosure or transfer is restricted or prohibited by third-party agreement or applicable law, (ii) employee files and records, (iii) attorney-client privileged communications and work product of Assignor's legal counsel (other than title opinions), (iv) seismic data and licenses, reserve studies and evaluations, and all interpretive data, and (v) records relating to the negotiation and consummation of the sale of the Assets by Assignor (subject to such exclusions, the "Records").

Notwithstanding the foregoing, the Assets do not include, and Assignor hereby reserves and retains, all of the following ("Excluded Assets"): (a) all corporate, financial, income Tax, franchise Tax, and legal data and records of Assignor (other than title records pertaining to the Assets), and all other information, records, and data that relate to Assignor's business generally or to assets and properties of Assignor and its Affiliates that are not included in the Assets; (b) all accounts receivable, trade accounts, audit rights, warranties, claims, and rights to payment, refund, or indemnity, in each case, accruing or attributable to any period before the Effective Time or to any Excluded Assets, and all rights, claims, and causes of action relating to the foregoing; (c) all production of Hydrocarbons from or attributable to the Assets with respect to any period before the Effective Time (other than Hydrocarbons in storage or existing in stock tanks, pipelines, or plants at the Effective Time) and all proceeds attributable thereto; (d) all insurance policies and all rights, claims, payments, and proceeds thereunder; (e) all deposits, surety bonds, letters of credit, and collateral pledged to secure any Liability of Assignor in respect of the Assets; (f) all books, records, data, files, and records of the types described in subparts (i) through (v) of the preceding paragraph; (g) all claims of Assignor or its Affiliate for refunds of or loss of carry forwards in respect of any Taxes for which Assignor is liable for payment; (h) all vehicles, rolling stock, office furniture, office supplies, personal computers and associated peripherals, licensed software, radio and telephone equipment, and cell phones; (i) Assignor's other leases, wells, and assets that are not expressly described in the definition of "Assets" above; (j) all records, data, files, information, and other items described in subparts (g)(i) through (g)(v) above in the definition of "Assets"; and (k) a copy of all Records.

It is the intent of the Parties that Assignor convey, and this Assignment hereby conveys, to Assignee, from and after the Effective Time, the Assets, regardless of errors in description, any incorrect or misspelled names, or any mistranscribed or incorrect recording references.

TO HAVE AND TO HOLD all and singular the Assets, together with all rights, titles, interests, estates, remedies, powers and privileges thereto appertaining unto Assignee and its successors, legal representatives, and assigns forever, subject to) the terms and provisions of this Assignment.

1. Capitalized terms used in this Assignment shall have the meanings prescribed in this Assignment where such capitalized terms are defined. Each defined term shall be equally applicable both to the singular and the plural forms of the term so defined.

2. This Assignment shall extend to, be binding upon, and inure to the benefit of the Parties and their respective successors and assigns.

3. Excluding the Retained Liabilities, Assignee assumes and hereby agrees to fulfill, perform, pay, assume, and discharge (or cause to be fulfilled, performed, paid, and discharged) the covenants and obligations of the lessee or sublessee under the Leases and any and all other Liabilities (known or unknown or absolute or contingent) under, attributable or allocable to, arising out of or relating to, based upon, or otherwise relating to the Assets or the condition, ownership, operation, or use thereof, whether arising prior to, at, or after the Effective Time (the “Assumed Liabilities”), including the following to the extent not expressly constituting Retained Liabilities:

(a) all Liabilities attributable to or resulting from the use, maintenance, operation, or ownership of the Assets from and after the Effective Time;

(b) all Liabilities arising under any of the Leases or Contracts from and after the Effective Time;

(c) all Liabilities for plugging, abandonment, decommissioning, and surface restoration of the Assets, whether arising before, at, or after the Effective Time;

(d) all Liabilities attributable or resulting from all Environmental Liabilities relating to the Assets, whether arising before, at, or after the Effective Time;

(e) all Operating Expenses and Asset Taxes that are attributable to the ownership or operation of the Assets during the period from and after the Effective Time; and

(f) all Liabilities attributable to or resulting from Transfer Taxes, if any, imposed or required in connection with the sale of the Assets to Assignee or the filing or recording of all assignments related to the sale of the Assets to Assignee.

4. The Assumed Liabilities do not include, and Assignor hereby agrees to fulfill, perform, pay, assume, and discharge (or cause to be fulfilled, performed, paid, and discharged) solely the following outstanding Liabilities (the “Retained Liabilities”):

(a) except for the Liabilities described in Section 3(c), Section 3(d), and Section 3(f), all Liabilities to the extent attributable to or resulting from the use, maintenance, operation, or

ownership of the Assets during the period of Assignor's ownership prior to (but not on or after) the Effective Time;

(b) except for the Liabilities described in Section 3(c), Section 3(d), and Section 3(f), all Liabilities to the extent arising prior to (but not on or after) the Effective Time under any of the Leases and Contracts;

(c) all Liabilities for offsite disposal or transportation of Hazardous Materials from the Assets during the period of Assignor's ownership prior to (but not on or after) the Effective Time;

(d) all Liabilities for failure to correctly or timely pay royalties to the extent attributable to Hydrocarbons produced from the Assets during the period of Assignor's ownership prior to the Effective Time;

(e) all Operating Expenses that are attributable to the ownership or operation of the Assets during the period of Assignor's ownership prior to (but not on or after) the Effective Time;

(f) all Asset Taxes that are attributable to the ownership or operation of the Assets during the period of Assignor's ownership prior to (but not on or after) the Effective Time;

(g) all Liabilities related to the employment relationship (or termination thereof) between Assignor and any present or former employee of Assignor;

(h) all Liabilities for fines, penalties, and criminal sanctions asserted, imposed, or levied against Assignor; and

(i) all Liabilities related to any Excluded Assets.

5. Assignee acknowledges that: (i) the Assets have been used in connection with the exploration for, and the development, production, treatment, and transportation of, Hydrocarbons; (ii) spills of wastes, Hydrocarbons, produced water, Hazardous Materials, and other materials and substances may have occurred in the past or in connection with the Assets; (iii) there is a possibility that there are currently known or unknown, abandoned wells, plugged wells, pipelines, and other equipment on or underneath the property underlying the Assets; (iv) it is the intent of the Parties that all liability associated with the above matters, as well as any responsibility and liability to decommission, plug, or replug any wells or other facilities in accordance with all requirements of Governmental Bodies, whether arising or attributable to any time prior to, at, or after the Effective Time, hereby passes to Assignee, and Assignee hereby assumes all responsibility and liability therefor and all claims and demands related thereto; (v) the Assets may contain asbestos, Hazardous Materials, or naturally occurring radioactive materials ("NORM") or technologically enhanced naturally occurring radioactive materials ("TENORM"); (vi) NORM/TENORM may affix or attach itself to the inside of wells, materials, and equipment as scale or in other forms; (vii) wells, materials, and equipment located on the Assets may contain NORM/TENORM; and (viii) special procedures may be required for remediating, removing, transporting, and disposing of asbestos, NORM/TENORM, Hazardous Materials, and other materials from the Assets. Assignee hereby assumes, with respect to the Assets, all responsibility and liability for any assessment, remediation, removal, transportation, and disposal of these materials and associated activities in accordance with all Legal Requirements and requirements of Governmental Bodies.

6. All production from the Wells prior to the Effective Time (except for Hydrocarbons in storage or existing in stock tanks, pipelines or plants as of the Effective Time) and all proceeds from the sale of such production shall be the property of Assignor. Assignor shall be responsible for payment of Operating Expenses and Asset Taxes that are attributable to the ownership or operation of the Assets during the period prior to the Effective Time.

All production from the Wells on or after the Effective Time and the proceeds from the sale of such production shall be the property of Assignee. Assignee shall be responsible for payment of (a) all Operating Expenses and Asset Taxes that are attributable to the ownership or operation of the Assets during the period from and after the Effective Time and (b) all Transfer Taxes.

The Purchase Price has been preliminarily adjusted at the time of execution of this Assignment (a) for the, and consistent with the, foregoing in this Section 6 and (b) for the value of the unsold oil from the Wells in the tanks as of the Effective Time (with the Purchase Price adjustment for such oil inventory being the contract prices applicable to oil in such tank batteries during the calendar month preceding the Effective Time). Within 60 days after the Effective Time, Assignee and Assignor agree to jointly conduct and prepare a "post-closing" true-up accounting solely for the, and consistent with the, foregoing in this Section 6 and to the extent (i) such items were not included in the adjustments at the time of execution of this Assignment and (ii) are known (with the amounts thereof finally determined) at the time of such "post-closing" accounting. No later than the 60th day after the Effective Time, Assignee and Assignor shall make a final post-closing settlement adjustment to the Purchase Price (the "Final Settlement") based on such post-closing accounting jointly prepared by the Parties. Without limiting the terms of Section 3 above or Section 10 below, the Final Settlement shall be used to determine a single, final, and conclusive net payment in favor of the Party to which the Final Settlement indicates a balance is owed, and thereafter no further adjustments to the Purchase Price shall be made or owed.

7. Assignor hereby warrants title to the Leases and Wells listed on Exhibit A and Exhibit B unto Assignee, its successors and assigns, for a period of 12 months after the Effective Time (after which time this Section 7 shall expire and be of no further force or effect), against every person whomsoever lawfully claiming the same or any part thereof, by, through, or under Assignor or any of its Affiliates, but not otherwise, and subject to the Permitted Encumbrances. Assignee's remedies, and Assignor's liability, in respect of the foregoing special warranty of title and the obligations of Assignor in the second paragraph of Section 10 below, collectively, are limited in the aggregate to an amount equal to the adjusted Purchase Price. Assignee is hereby specifically assigned, and subrogated to, all warranties of title which Assignor or its Affiliates may have from predecessors in interest (other than Assignor or any Affiliate of Assignor) to the extent applicable with respect to the Assets and to the extent Assignor or such Affiliates may legally assign such rights and grant such subrogation.

8. **EXCEPT FOR THE SPECIAL WARRANTY OF TITLE SET FORTH IN SECTION 7 OF THIS ASSIGNMENT, ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT, OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ASSIGNEE (INCLUDING ANY OPINION, INFORMATION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ASSIGNEE OR ITS AFFILIATES**

OR REPRESENTATIVES BY ASSIGNOR OR ANY AFFILIATES OR REPRESENTATIVES OF ASSIGNOR OR BY ANY INVESTMENT BANK OR INVESTMENT BANKING FIRM, ANY PETROLEUM ENGINEER OR ENGINEERING FIRM, ASSIGNOR'S COUNSEL, OR ANY OTHER AGENT, CONSULTANT, OR REPRESENTATIVE OF ASSIGNOR). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 7 OF THIS ASSIGNMENT, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, RELATING TO (A) THE TITLE TO ANY OF THE ASSETS, (B) THE CONDITION, MAINTENANCE, REPAIR, QUALITY, SUITABILITY, OR MARKETABILITY OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), IT BEING DISTINCTLY UNDERSTOOD THAT THE ASSETS ARE BEING SOLD "AS IS," "WHERE IS," WITH ALL FAULTS AND DEFECTS AS TO ALL MATTERS (KNOWN OR UNKNOWN, PATENT OR LATENT, DISCOVERABLE, OR UNDISCOVERABLE), AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND ASSIGNEE HAS MADE ANY AND ALL SUCH INSPECTIONS AS ASSIGNEE DEEMS APPROPRIATE, (C) ANY INFRINGEMENT BY ASSIGNOR OF ANY PATENT OR PROPRIETARY RIGHT OF ANY THIRD PARTY, (D) THE CONTENTS, CHARACTER, OR NATURE OF ANY INFORMATION, DATA, REPORTS, RECORDS, OR OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED TO ASSIGNEE OR ANY OF ITS REPRESENTATIVES BY OR ON BEHALF OF ASSIGNOR (INCLUDING, WITHOUT LIMITATION, REGARDING THE EXISTENCE OR EXTENT OF HYDROCARBONS OR THE MINERAL RESERVES, THE QUALITY OR RECOVERABILITY OF SUCH RESERVES, PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING OR SUSPENSE INFORMATION, PRODUCT PRICING ASSUMPTIONS, OR THE ABILITY TO SELL HYDROCARBON PRODUCTION AFTER THE EFFECTIVE TIME), AND/OR (E) THE ENVIRONMENTAL CONDITION OR OTHER CONDITION OF THE ASSETS (INCLUDING ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF SUBSTANCES, WASTES, OR MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR OF HUMAN HEALTH, SAFETY, OR NATURAL RESOURCES) AND ANY POTENTIAL LIABILITY ARISING FROM OR RELATED TO THE ASSETS. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE SPECIAL WARRANTY OF TITLE IN SECTION 7 OF THIS ASSIGNMENT AND THE INDEMNITY IN THE SECOND PARAGRAPH OF SECTION 10 OF THIS ASSIGNMENT ARE ASSIGNEE'S SOLE AND EXCLUSIVE REMEDY AGAINST ANY OF THE ASSIGNOR GROUP WITH RESPECT TO THE TRANSACTION CONTEMPLATED HEREBY OR THE SALE OF THE ASSETS, INCLUDING WITH RESPECT TO ALL LIABILITIES ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THE ASSETS AND/OR THE ASSUMED LIABILITIES. ASSIGNEE AND ASSIGNOR AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS ASSIGNMENT ARE "CONSPICUOUS" DISCLAIMERS.

9. THIS ASSIGNMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS ASSIGNMENT OR THE RIGHTS, DUTIES AND THE LEGAL RELATIONS AMONG THE PARTIES HERETO SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION; *PROVIDED, HOWEVER*, THAT ANY MATTER RELATED TO TITLE TO REAL PROPERTY SHALL BE GOVERNED BY THE LAWS OF THE STATE WHERE SUCH REAL PROPERTY IS LOCATED. THE PARTIES HERETO CONSENT TO THE EXERCISE OF JURISDICTION *IN PERSONAM* BY THE FEDERAL COURTS OF THE UNITED STATES LOCATED IN WICHITA, KANSAS OR THE STATE COURTS

LOCATED IN WICHITA, KANSAS FOR ANY ACTION ARISING OUT OF THIS ASSIGNMENT. ALL ACTIONS OR PROCEEDINGS WITH RESPECT TO, ARISING DIRECTLY OR INDIRECTLY IN CONNECTION WITH, OUT OF, RELATED TO, OR FROM THIS ASSIGNMENT SHALL BE EXCLUSIVELY LITIGATED IN SUCH COURTS DESCRIBED ABOVE HAVING SITES IN WICHITA, KANSAS AND EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS SOLELY IN RESPECT OF ANY PROCEEDING ARISING OUT OF OR RELATED TO THIS ASSIGNMENT. EACH PARTY HERETO VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT. THE PARTIES FURTHER AGREE, TO THE EXTENT PERMITTED BY LAW, THAT A FINAL AND NONAPPEALABLE JUDGMENT AGAINST A PARTY IN ANY ACTION OR PROCEEDING CONTEMPLATED ABOVE SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION WITHIN OR OUTSIDE THE UNITED STATES BY SUIT ON THE JUDGMENT, A CERTIFIED OR EXEMPLIFIED COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND AMOUNT OF SUCH JUDGMENT.

10. ASSIGNEE HEREBY RELEASES ASSIGNOR AND ITS PARENT COMPANIES, AFFILIATES, AND SUBSIDIARIES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, CONSULTANTS AND EMPLOYEES ("ASSIGNOR GROUP") FROM, AND SHALL FULLY PROTECT, DEFEND, INDEMNIFY, AND HOLD ASSIGNOR GROUP HARMLESS FROM AND AGAINST, ANY AND ALL LIABILITIES (INCLUDING ATTORNEYS' FEES, COSTS OF LITIGATION AND INVESTIGATION AND OTHER COSTS ASSOCIATED THEREWITH) TO THE EXTENT IN ANY WAY CONSTITUTING, RELATING TO, ARISING OUT OF, OR CONNECTED WITH, DIRECTLY OR INDIRECTLY, THE ASSUMED LIABILITIES. THESE INDEMNITY AND DEFENSE OBLIGATIONS APPLY REGARDLESS OF CAUSE, REGARDLESS OF ANY NEGLIGENT ACTS OR OMISSIONS (INCLUDING SOLE NEGLIGENCE, CONCURRENT NEGLIGENCE, OR STRICT LIABILITY), BREACH OF DUTY (STATUTORY OR OTHERWISE), VIOLATION OF LAW OR OTHER FAULT OF ANY OF ASSIGNOR GROUP, AND REGARDLESS OF ANY PRE-EXISTING DEFECT. THE FOREGOING OBLIGATIONS OF ASSIGNOR IN THIS PARAGRAPH SHALL SURVIVE WITHOUT TIME LIMIT.

SUBJECT TO THE LIMITATIONS BELOW IN THIS PARAGRAPH AND THOSE IN SECTION 7, ASSIGNOR SHALL FULLY PROTECT, DEFEND, INDEMNIFY, AND HOLD ASSIGNEE AND ITS PARENT COMPANIES, AFFILIATES, AND SUBSIDIARIES, AND ITS AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, CONSULTANTS AND EMPLOYEES ("ASSIGNEE GROUP") HARMLESS FROM AND AGAINST, ANY AND ALL LIABILITIES (INCLUDING ATTORNEYS' FEES, COSTS OF LITIGATION AND INVESTIGATION AND OTHER COSTS ASSOCIATED THEREWITH) TO THE EXTENT IN ANY WAY CONSTITUTING, RELATING TO, ARISING OUT OF, OR CONNECTED WITH, DIRECTLY OR INDIRECTLY, THE RETAINED LIABILITIES. THESE INDEMNITY AND DEFENSE OBLIGATIONS APPLY REGARDLESS OF CAUSE, REGARDLESS OF ANY NEGLIGENT ACTS OR OMISSIONS (INCLUDING SOLE NEGLIGENCE, CONCURRENT NEGLIGENCE, OR STRICT LIABILITY), BREACH OF DUTY (STATUTORY OR OTHERWISE), VIOLATION OF LAW OR OTHER FAULT OF ANY OF ASSIGNEE GROUP. THE FOREGOING OBLIGATIONS OF ASSIGNOR IN THIS PARAGRAPH (A) WITH RESPECT TO SUBPARTS 4(A) THROUGH 4(E) OF THE DEFINITION OF RETAINED LIABILITIES, SHALL EXPIRE AT 5:00 P.M. CENTRAL TIME ON THE DATE THAT IS TWELVE (12) MONTHS AFTER THE EFFECTIVE TIME (AT WHICH TIME ASSIGNOR'S OBLIGATIONS IN THIS PARAGRAPH SHALL EXPIRE AND BE OF NO FURTHER FORCE OR EFFECT WITH RESPECT TO SUCH RETAINED LIABILITIES) AND (B) WITH

RESPECT TO THE OTHER SUBPARTS IN THE DEFINITION OF RETAINED LIABILITIES (BEING SUBPARTS 4(F) THROUGH 4(I)), SHALL SURVIVE WITHOUT TIME LIMIT.

11. The Exhibits to this Assignment are hereby incorporated by reference and constitute a part of this Assignment. The Parties agree that this conveyance includes all lands covered by each instrument, except as a limitation may be specified on a respective Exhibit, regardless of whether such lands are particularly or accurately described in any exhibit.

12. If any provision of this Assignment is found by a court of competent jurisdiction to be invalid or unenforceable, that provision will be deemed modified to the extent necessary to make it valid and enforceable and if it cannot be so modified, it shall be deemed deleted and the remainder of this Assignment shall continue and remain in full force and effect.

13. This Assignment may be executed in any number of counterparts, each of which shall be deemed valid and binding with respect to the signatories thereto, and all of which together shall constitute one and the same conveyance.

14. Assignor shall execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, to Assignee, and Assignee shall execute, acknowledge, and deliver, and cause to be executed, acknowledged, and delivered to Assignor, such further documents and instruments, and take such other and further actions, as may be reasonably requested by each such Party in order to convey and deliver the Assets to Assignee and to accomplish the orderly transfer of the Assets to Assignee (including operatorship thereof) in the manner contemplated by this Assignment, and to more fully effect the assumption and performance by Assignee of the Assumed Liabilities, in each case, subject to the terms and provisions of this Assignment.

15. This Assignment (including the Exhibits attached hereto) contains the entire agreement and understanding between the Parties with respect to the subject matter hereof, and all prior and contemporaneous negotiations, understandings, and agreements between the Parties on the matters contained herein are expressly merged into and superseded by this Assignment. The provisions of this Assignment may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. No Party shall be liable or bound to any other Party in any manner by any representations, warranties, covenants, or agreements relating to such subject matter except as specifically set forth in this Assignment.

16. This Assignment may not be amended except by a written agreement of the Parties that is identified as an amendment to this Assignment. The Parties' rights under this Assignment may not be waived except by an instrument in writing signed by the Party to be charged with the waiver. No waiver of, or consent to a change in, or modification of any of the provisions of this Assignment shall be deemed or shall constitute a waiver of, or consent to a change in, or modification of other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. The rights of the Parties under this Assignment shall be cumulative, and the exercise or partial exercise of any such right shall not preclude the exercise of any other right.

17. If either Party or its affiliates or representatives institutes a proceeding against the other Party relating to the provisions of this Assignment, the party to such proceeding which does

not prevail will reimburse the prevailing party therein (regardless of whether the prevailing party is the plaintiff or the defendant in such proceeding) for the reasonable expenses of attorneys' fees and disbursements incurred by the prevailing party. The applicable Governmental Body shall be empowered to designate the prevailing party for purposes of this Section 17.

18. As used in this Assignment, the following terms have the meanings ascribed to them below:

(a) "Affiliate" means, with respect to a Party, any person or entity directly or indirectly controlled by, controlling, or under common control with, such Party, including any subsidiary of such Party and any "affiliate" of such Party within the meaning of Reg. §240.12b-2 of the Securities Exchange Act of 1934, as amended. As used in this definition, "control" means possession, directly or indirectly, of the power to direct or cause the direction of management, policies, or action through ownership of voting securities, contract, voting trust, or membership in management or in the group appointing or electing management or otherwise through formal or informal arrangements or business relationships. The terms "controlled by," "controlling," and other derivatives shall be construed accordingly.

(b) "Asset Taxes" means ad valorem, property, excise, severance, production, sales, real estate, use, personal property and similar Taxes (including any interest, fine, penalty or additions to tax imposed by governmental bodies in connection with such Taxes) based upon the operation or ownership of the Assets, the production of Hydrocarbons or the receipt of proceeds therefrom, but excluding, for the avoidance of doubt, Transfer Taxes and income or franchise Taxes based upon, measured by, or calculated with respect to net income, profits, capital, or similar measures (or multiple bases, including corporate, franchise, business and occupation, business license, or similar taxes, if net income, profits, capital, or a similar measure is one of the bases on which such Tax is based, measured, or calculated).

(c) "Environmental Law" means any applicable Legal Requirement relating to protection of human health, workplace safety, occupational health, or pollution or the protection of the environment, including those Legal Requirements relating to the presence, storage, handling, and use of Hazardous Materials and those Legal Requirements relating to the generation, processing, treatment, storage, transportation, disposal or other management thereof.

(d) "Environmental Liability" means all Liabilities and other responsibilities arising from or under either Environmental Laws or third party claims relating to the environment or pollution, and which relate to the Assets or the ownership or operation of the same.

(e) "Governmental Body" means any (i) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (ii) federal, state, local, municipal, foreign, or other government; (iii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (iv) multi-national organization or body; or (v) body exercising, or

entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

(f) “Hazardous Materials” means any (i) chemical, constituent, material, pollutant, contaminant, substance, or waste that is regulated by any Governmental Body or may form the basis of liability under any Environmental Law; and (ii) petroleum, Hydrocarbons, or petroleum products.

(g) “Hydrocarbons” means oil and gas and other hydrocarbons (including condensate) produced or processed in association therewith (whether or not such item is in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

(h) “Legal Requirement” means any federal, state, local, municipal, foreign, international, or multinational law, Order, constitution, ordinance, or rule, including rules of common law, regulation, statute, treaty, or other legally enforceable directive or requirement.

(i) “Liabilities” means any and all claims, suits, proceedings, demands, causes of action, payments, charges, judgments, assessments, obligations, losses, liabilities, damages, penalties, fines, expenses, costs, fees, settlements, and deficiencies, including any attorneys’ fees, legal, and other costs and expenses suffered or incurred therewith.

(j) “Operating Expenses” means all operating expenses and capital expenditures incurred in the ownership and operation of the Assets in the ordinary course of business and, where applicable, in accordance with the relevant operating or unit agreement, if any, and overhead costs charged to the Assets under the relevant operating agreement or unit agreement, if any, but excluding Liabilities attributable to (i) personal injury or death, property damage, other legal tort, or violation of any Legal Requirement, Lease, or Contract, (ii) Environmental Liabilities, (iii) plugging, replugging, removal, abandonment, decommissioning, disposal, dismantling, capping, burying, or surface restoration, (iv) obligations with respect to imbalances, or (v) Taxes.

(k) “Permitted Encumbrances” means any of the following:

(i) any preferential purchase rights, consents and similar agreements so long as they are set forth on Exhibit C attached hereto;

(ii) excepting circumstances where such rights have already been triggered prior to the Effective Time, rights of reassignment arising upon final intention to abandon or release the Assets;

(iii) liens for Taxes not yet due;

(iv) all rights to consent by, required notices to, filings with, or other actions by Governmental Bodies in connection with the conveyance of the Leases or Wells, if the same are customarily sought and received after assignment;

(v) all Legal Requirements and all rights reserved to or vested in any Governmental Body (i) to control or regulate any Asset in any manner; (ii) by the terms of any right, power, franchise, grant, license or permit, or by any provision of law, to terminate such right, power, franchise, grant, license or permit or to purchase, condemn, expropriate or recapture or to designate a purchaser of any of the Assets; (iii) to use such property in a manner which does not materially impair the use of such property for the purposes for which it is currently owned and operated; or (iv) to enforce any obligations or duties affecting the Assets to any Governmental Body with respect to any right, power, franchise, grant, license or permit;

(vi) rights of a common owner of any interest currently held by Assignor and such common owner as tenants in common or through common ownership;

(vii) easements, conditions, covenants, restrictions, servitudes, permits, rights-of-way, surface leases, and other rights in the Assets for the purpose of operations, facilities, roads, alleys, highways, railways, pipelines, transmission lines, transportation lines, distribution lines, power lines, telephone lines, removal of timber, grazing, logging operations, canals, ditches, reservoirs and other like purposes, or for the joint or common use of real estate, rights-of-way, facilities and equipment;

(viii) vendors, carriers, warehousemen's, repairmen's, mechanics', workmen's, materialmen's, construction or other like liens arising by operation of law in the ordinary course of business or incident to the construction or improvement of any property in respect of obligations which are not yet due;

(ix) encumbrances created under Leases or any joint operating agreements applicable to the Assets or by operation of law in respect of obligations that are not yet due;

(x) defects or irregularities of title (i) as to which the relevant statute(s) of limitations or prescription would bar any attack or claim against Assignor's title; (ii) consisting of the lack of a lease amendment or consent authorizing pooling or unitization, or (iii) that have been cured by prescription or limitations;

(xi) plugging and surface restoration obligations;

(xii) the terms and provisions of the Leases, Surface Rights, and Contracts, including any calls on Hydrocarbon production under existing Contracts;

(xiii) any matters referenced or set forth on any exhibit to this Assignment;

(xiv) the operation of any maintenance of uniform interest provision in an operating agreement; and

(xv) defects as a consequence of the alleged failure to conduct operations, cessation of production, insufficient production, or failure to report production or report production timely over any period. To the best of Assignor's knowledge there are no claims, allegations, or any parties contesting the continued validity of the Lease.

(l) "Taxes" means (i) any and all federal, state, provincial, local, foreign and other taxes, levies, fees, imposts, duties, assessments, unclaimed property and escheat obligations and other governmental charges imposed by any Governmental Body, including income, profits, franchise, alternative or add-on minimum, gross receipts, environmental (including taxes under Section 59A of the US Tax Code), registration, withholding, employment, social security (or similar), disability, occupation, ad valorem, property, value added, capital gains, sales, goods and services, use, real or personal property, capital stock, license, branch, payroll, estimated, unemployment, severance, compensation, utility, stamp, premium, windfall profits, transfer, gains, production and excise taxes, and customs duties, together with any interest, penalties, fines or additions thereto and (ii) any successor or transferee liability in respect of any items described in clause (i) above.

(m) "Transfer Taxes" means all transfer, documentary, sales, use, stamp, registration and similar Taxes and recording or filing fees assessed or charged by Governmental Bodies arising out of, or in connection with, the transfer of the Assets from Assignor to Assignee.

[Signature and Acknowledgment Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Assignment on the dates set forth in their respective acknowledgments hereto.

ASSIGNOR:

K3 SR OIL & GAS, LLC

By: 

Name: Benjamin A. Stamets

Title: Managing Member

ASSIGNEE:

BLACK OAK PRODUCTION, LLC

By: 

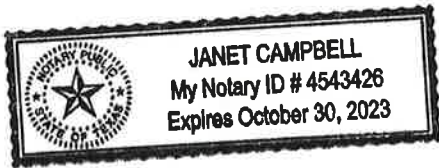
Name: Christopher R Colvin

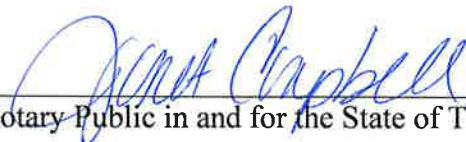
Title: Manager

ACKNOWLEDGMENTS

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me this 16th day of October, 2020, by Benjamin A. Stamets, known to me to be the Managing Member of **K3 SR Oil & Gas, LLC**, a Delaware limited liability company, who affirmed that the foregoing instrument was signed on behalf of such company and that the execution of this instrument was the free act and deed of such company.





Notary Public in and for the State of Texas

EXHIBIT A

Leases

Lease	Lessor	Lessee	Twn	Rng	Sec	Legal Description	County	Dated	Book	Page
Grazing 10-14	Damen Grazing and Breeds Grazing	Capital Land Services, Inc.	16S	27W	10	10-acres of land surrounding the Grazing 10-14 wellbore (API: 15-101-22549-0001) located in the W/2SE/4 of Section 10-16S-27W	Lane	11/7/2011	137	149

EXHIBIT B

Wells

Lease	API #	Well Name	Well Type	Twn	Rng	Sec	Latitude	Longitude
Grusing	1510122549	10-14	Producer	16S	27W	10	38.6697269	-100.2930874

EXHIBIT C
Preferential Rights

N/A

EXHIBIT D
Surface Rights

N/A