

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: _____



\$72.00
STATE OF KANSAS, Meade County
This instrument was filed for record on the
26 day of Oct, A.D. 2020
at 4:15 P. M. and duly recorded
in Book 130 on Page(s) 226-229
Carla Davis
Register of Deeds

x act

Photocopied

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WELLBORE ASSIGNMENT AND BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, **HERMAN L. LOEB LLC**, whose address is P.O. Box 838, Lawrenceville, IL 62439, (hereinafter called "Assignor"), for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign, convey, transfer and set over unto **RED HILLS RESOURCES INC.**, whose address is P.O. Box 132, Englewood, KS 67840, (hereinafter called "Assignee"), all of Assignor's working interest and operating rights in and to the oil and gas lease described on Exhibit 'A' (hereinafter called the "Lease"), attached hereto and made a part hereof by this reference, insofar as and only insofar as the Lease covers the McKinney 'B' #1 well (API #15-119-00191) (hereinafter called the "Well") located in the SW/4 of the SW/4 of the NE/4 of Section 35, Township 33 South, Range 26 West, Meade County, Kansas, together with all of Assignor's interest in and to the oil, gas and other hydrocarbons which are produced from the Well, and all personal property, materials and equipment in and on said Well or which have been used and obtained in connection therewith.

TO the extent of the interest assigned herein, (1) all the oil, gas and other minerals produced and saved prior to the Effective Date hereof, from or attributable to the Well assigned herein, and the proceeds therefrom, shall be owned by Assignor, (2) all of the oil, gas and other minerals produced and saved after the Effective Date hereof from or attributable to the Well assigned herein, and the proceeds therefrom, shall be owned by Assignee, (3) all of the costs and expenses incurred prior to the Effective Date in the development, operation and maintenance of the Well assigned herein, shall be borne and paid by Assignor, (4) all of the costs and expenses incurred after the Effective Date (including, without limitation, all ad valorem taxes for the current year production) in the development, operation and maintenance of the Well assigned herein, shall be borne and paid by Assignee, (5) Assignor shall be responsible for the payment of all royalties, overriding royalties, and co-working interest owner payments with respect to production from the Well occurring prior to the Effective Date. (6) Assignee shall be responsible for payment of all royalties, overriding royalties, and co-working interest owner revenues with respect to production from the Well occurring after the Effective Date.

THIS Wellbore Assignment and Bill of Sale is subject to the provisions of the oil and gas lease affecting the lands and/or Well assigned herein, the mesne assignments thereof, and any and all agreements, declarations, gas contracts, orders of governmental authority, easements, rights-of-way, licenses and other instruments or agreements relating to or affecting Assignor's interest in the aforesaid Lease and/or Well as of the Effective Date.

FROM and after the Effective Date, Assignee shall assume all obligations and responsibilities under the Lease and for the interests herein assigned, and all legal and regulatory obligations and responsibilities with respect to operations of the Well, and shall indemnify and hold Assignor, its affiliates, employees, directors and officers harmless from and against any and all claims, demands, causes of action, liabilities and losses arising out of or in connection with or resulting from or through Assignee's ownership of the assigned interests, including, but not limited to, the plugging and abandonment of the Well assigned herein, and any necessary environmental remediation, and Assignee accepts title subject to all agreements, declarations, restrictions, encumbrances, and clouds, if any, of record.

THIS ASSIGNMENT IS MADE BY ASSIGNOR AND IS ACCEPTED BY ASSIGNEE ON AN "AS IS" BASIS, WITHOUT WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF QUANTITY, QUALITY, CONDITION, MERCHANTABILITY, FITNESS FOR PURPOSE, SAFETY OF EQUIPMENT, OR COVENANTS OF WARRANTY OF TITLE, OR COMPLIANCE WITH GOVERNMENTAL REGULATIONS RELATED THERETO OR OTHERWISE.

It is understood by Assignor and Assignee that this Wellbore Assignment and Bill of Sale is limited to the leasehold estate only with regard to the wellbore and the production from the wellbore of the McKinney 'B' #1 well, and Assignor hereby reserves and retains all right, title, and interest in and to the Lease except insofar the Lease covers the Well. Assignor further assigns to Assignee, under the Lease, rights of ingress and egress to the Well across the lands covered by the Lease, and the right to use the surface thereof as necessary for the operation of the Well.

IN WITNESS WHEREOF, the Assignor and Assignee have executed this Wellbore Assignment and Bill of Sale the year and date set forth in the acknowledgments below, but is effective as of October 1, 2020 (the "Effective Date").

[Signatures and Acknowledgments on Following Page]

HERMAN L. LOEB LLC, an Illinois limited liability company

By: *Janette D. Loeb*
Janette D. Loeb, as Manager

STATE OF ILLINOIS)
) ss:
COUNTY OF LAWRENCE)



This instrument was acknowledged before me on this 17 day of October, 2020, by Janette D. Loeb, Manager of HERMAN L. LOEB LLC, an Illinois limited liability company.

My appointment expires: 01-27-23

GENA M HEDRICK
Notary Public

RED HILLS RESOURCES INC.

By: *James W McKinney*
James W. McKinney, as President

STATE OF KANSAS)
) ss:
COUNTY OF Clark)

This instrument was acknowledged before me on this 26 day of October, 2020, by James W. McKinney, President of RED HILLS RESOURCES INC.

My appointment expires: 08/27/2021

Jennie L. Hart
Notary Public

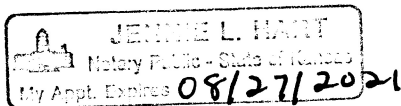


EXHIBIT 'A'

Attached to and made a part of that certain Wellbore Assignment and Bill of Sale effective October 1, 2020, by and between HERMAN L. LOEB LLC, as Assignor, and RED HILLS RESOURCES INC., as Assignee.

Lessor: Charles W. McKinney and Grace E. McKinney, his wife
Lessee: Gulf Oil Corporation
Date: November 30, 1945
Recorded: Book 5, Page 213
Description: INSOFAR and ONLY INSOFAR as the lease covers All of Section 35, Township 33 South, Range 26 West in Meade County, Kansas.

[END OF EXHIBIT 'A']