

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

\_\_\_\_\_ is acknowledged as the new operator of the above named lease containing the surface pit

Permit No.: \_\_\_\_\_. Recommended action: \_\_\_\_\_

permitted by No.: \_\_\_\_\_.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Signature

Authorized Signature

DISTRICT \_\_\_\_\_ EPR \_\_\_\_\_ PRODUCTION \_\_\_\_\_ UIC \_\_\_\_\_

**Must Be Filed For All Wells**

KDOR Lease No.: \_\_\_\_\_

\* Lease Name: \_\_\_\_\_ \* Location: \_\_\_\_\_

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		<i>Circle:</i> FSL/FNL	<i>Circle:</i> FEL/FWL		
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

A separate sheet may be attached if necessary.  
 \* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

Side Two

**Must Be Filed For All Wells**

KDOR Lease No.: \_\_\_\_\_

\* Lease Name: \_\_\_\_\_ \* Location: \_\_\_\_\_

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		<i>Circle:</i> FSL/FNL	<i>Circle:</i> FEL/FWL		
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

A separate sheet may be attached if necessary.

\* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

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: \_\_\_\_\_

**PURCHASE AND SALE AGREEMENT**

Between

**RUNNING FOXES PETROLEUM**

And

**MID REGION ENERGY LLC**

**For Assets located in Bourbon County, Kansas, USA**

**December 1<sup>st</sup>, 2020**

## TABLE OF CONTENTS

1.	DEFINITIONS.....	1
1.1	Assignment.....	1
1.2	Closing.....	1
1.3	Closing Date.....	1
1.4	Contracts.....	1
1.5	Effective Date.....	1
1.6	Leases.....	1
1.7	Purchase Price.....	1
2.	PURCHASE AND SALE OF LEASES.....	2
2.1	Agreement for Purchase and Sale.....	2
2.2	Purchase Price.....	2
3.	DUE DILIGENCE; WAIVER.....	2
4.	REPRESENTATION AND WARRANTIES OF SELLER.....	2
4.1	Organization and Standing.....	2
4.2	Authority.....	2
4.3	Validity.....	2
4.4	No Violation.....	2
4.5	Brokers.....	2
4.6	Taxes.....	2
4.7	Claims and Litigation.....	3
4.81	Preferential Rights.....	3
4.9	Operations.....	3
4.10	No Breaches.....	3
4.11	Compliance with Laws.....	3
4.12	Survivability.....	3
5.	REPRESENTATIONS AND WARRANTIES OF BUYER.....	3
5.1	Organization and Standing.....	3
5.2	Authority.....	3
5.3	Validity.....	4
5.4	No Violation.....	4
5.5	Securities Matters.....	4
5.6	Independent Investigation.....	4
5.7	Brokers.....	4
5.8	Survivability.....	4
6.	CONDITIONS PRECEDENT TO CLOSING.....	4
6.1	Seller's Conditions to Closing.....	4
6.2	Buyer's Closing Conditions.....	5

7.	CLOSING .....	5
7.1	Closing Time and Place .....	5
7.2	Seller's Obligations at Closing .....	5
7.3	Buyer's Obligations at Closing .....	5
8.	POST CLOSING OBLIGATIONS .....	5
8.1	Consents.....	5
9.	TERMINATION.....	5
9.1	Termination.....	5
9.2	Effect of Termination.....	6
10.	DISPUTE RESOLUTION.....	6
11.	MISCELLANEOUS .....	6
11.1	Further Assurances .....	6
11.2	Notices.....	6
11.3	Entire Agreement; Amendments.....	7
11.4	Expenses .....	7
11.5	Governing Law.....	7
11.6	Waiver of Consequentials .....	7
11.7	Waiver.....	7
11.8	Captions.....	7
11.9	Assignment of Agreement.....	7
11.10	Counterparts .....	8
11.11	Severability .....	8
11.12	Not to be Construed Against Drafter .....	8
11.13	No Third Party Beneficiaries .....	8
11.14	Sales Taxes and Recording Fees.....	8
11.15	Plugging Obligations.....	9
	Signature Page .....	10

**EXHIBITS**

Exhibit A	Wells
Exhibit B	T-1

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement"), is dated as of December 1st, 2020, by and between Running Foxes Petroleum Inc. 14450 East Easter Ave., Ste 200 Centennial CO 80112 (the, "Seller") and \_\_\_\_\_ and ("Buyer"). Seller and Buyer are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

### RECITALS

- A. Seller is the owner of certain oil and gas wells located in Leavenworth County, Kansas described on Exhibits A and B attached hereto, (collectively, the "Assets").
- B. Seller desires to sell all of the Assets to Buyer and Buyer wishes to purchase the Assets from the Company.
- C. Buyer has conducted an independent investigation of the Company and the obligations and liabilities associated therewith.
- D. Seller will convey to Buyer or its designees all wells "as is" "where is".

### AGREEMENT

NOW THEREFORE, in consideration of the mutual representations, covenants and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### SECTION 1 DEFINITIONS

Some of the defined terms used in this Agreement are:

- 1.1 **"Assignment"** is defined in Section 2.4.
- 1.2 **"Closing"** means the consummation of the transactions contemplated by this Agreement as provided in Section 7.
- 1.3 **"Closing Date"** is defined in Section 7.1.
- 1.4 **"Contracts"** means all presently existing and valid contracts, agreement and instruments insofar as such contracts, agreements and instruments cover, bind, are attributable to or relate to the Leases.
- 1.5 **"Effective Date"** means **December 1<sup>st</sup>, 2020.**
- 1.6 **"Wells"** are those oil and gas leases described on Exhibit A.
- 1.7 **"Purchase Price"** is the total cash consideration specified in Section 2.2 to be paid by Buyer to Seller for the Leases



**2.1 Agreement for Purchase and Sale.** Subject to the terms and conditions contained in this Agreement, Seller agrees to sell, assign, transfer, convey, set over and deliver, or cause to be sold, assigned, transferred, conveyed, set over and delivered, to Buyer, and Buyer agrees to purchase, acquire, and accept the Leases from Seller.

**2.2 Purchase Price.** The Purchase Price for the Leases shall be Ten Dollars (USD) (\$10.00). Funds shall be sent by certified or cashier's check or by wire transfer of immediately available funds to an account or accounts designated in writing by each of the companies comprising Seller.

### **SECTION 3 DUE DILIGENCE; WAIVER**

Following the execution of this Agreement, Seller shall provide Buyer with reasonable access to the Leases and to Seller's title, accounting, environmental and operating records, including property files related thereto, so that Buyer may confirm Seller's title to the Leases and that there are no adverse environmental conditions with respect to the Leases. Buyer acknowledges that, upon Closing, Buyer waives any objection to such matters. NO WARRANTY OF ANY KIND IS MADE BY SELLER AS TO THE INFORMATION AND DATA SUPPLIED TO BUYER, OR TO THE COMPLETENESS THEREOF, AND BUYER EXPRESSLY AGREES THAT ANY CONCLUSIONS DRAWN THEREFROM SHALL BE THE RESULT OF ITS OWN INDEPENDENT REVIEW AND JUDGMENT.

### **SECTION 4 REPRESENTATIONS AND WARRANTIES OF SELLER**

The Seller, Running Foxes Petroleum Inc., represents and warrants to Buyer, as follows:

**4.1 Organization and Standing.** Seller is duly organized, validly existing and in good standing under the laws of its state of organization.

**4.2 Authority.** Seller has all requisite power and authority to carry on its business as presently conducted, to enter into this Agreement and the other documents and agreements contemplated hereby, and to perform its obligations under this Agreement and the other documents and agreements contemplated hereby. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with, any provision of its governing documents or any agreement or instrument to which it is a party or by which it is bound or any judgment, decree, order, statute, rule or regulation applicable to Seller.

**4.3 Validity.** This Agreement, and all documents and instruments required hereunder to be executed and delivered by Seller at the Closing, constitute legal, valid and binding obligations of Seller in accordance with their respective terms, subject to applicable bankruptcy and other similar laws of general application with respect to creditors.

**4.4 No Violation.** The execution, delivery and performance of this Agreement and the transactions contemplated hereunder have been duly and validly authorized by all

4.6 **Taxes.** All tax returns required to be filed by Seller with respect to the Purchased Property have been timely filed with the appropriate governmental entity in all jurisdictions in which such tax returns are required to be filed, and all taxes due with respect to such tax returns have been paid, except those being contested in good faith.

4.7 **Claims and Litigation.** Seller has not received any written notice of any material claims with respect to any continuing or uncured breach, default or violation by Seller of any of the Leases or applicable law, which would adversely affect the ownership, operation or value of the Purchased Property or the transactions contemplated by this Agreement

4.8 **Preferential Rights.** Except for governmental consents and approvals of assignments that are customarily obtained after assignment, there are no preferential rights to purchase or consents to assignment (including third party and governmental preferential rights or consents) burdening the Purchased Property.

4.9 **Operations.** Seller has not conducted and is not conducting any operations upon the lands covered by the Leases, and Seller has not received any written authorization for expenditures for operations upon such lands.

4.10 **No Breaches.** To Seller's knowledge, neither Seller nor any other party to any Lease, Contract, surface right, permit or other obligation: (i) is in breach or default of or with the lapse of time or the giving of notice, or both, would be in breach or default of such Lease, Contract, surface right, permit or other obligation; or (ii) has given or threatened to give notice of any default under or made any inquiry into any possible default under, or action to alter, terminate, rescind or procure a judicial reformation of any Lease, Contract, surface right, permit or other obligation.

4.11 **Compliance with Laws.** To Seller's knowledge, with respect to Seller's ownership of the Wells, Seller is in compliance in all material respects with all laws, ordinances, rules, regulations, orders, decisions and decrees of governmental authorities that are applicable to the Leases.

4.12 **Survivability.** The foregoing representations and warranties of Seller shall survive the Closing for a period of one (1) year after the Closing Date.

## **SECTION 5 REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as of the date hereof and the Closing Date that:

5.1 **Organization and Standing.** Buyer is duly organized, validly existing and in good standing under the laws of the State of Kansas and duly qualified to carry on its business in the State of Kansas.

5.2 **Authority.** Buyer has all requisite power and authority to carry on its business as presently conducted, to enter into this Agreement and the other documents and agreements contemplated hereby, and to perform its obligations under this Agreement and the other documents and agreements contemplated hereby. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with,

and binding obligations of Seller in accordance with their respective terms, subject to applicable bankruptcy and other similar laws of general application with respect to creditors.

5.4 **No Violation.** The execution, delivery and performance of this Agreement and the transactions contemplated hereunder have been duly and validly authorized by all requisite authorizing action on the part of Buyer.

5.5 **Securities Matters.** Buyer acknowledges that the Leases may be deemed to be "securities" under the Securities Act of 1933, as amended, and certain applicable state securities or Blue Sky laws and that resale thereof may therefore be subject to the registration requirements of such acts. Buyer is acquiring the Leases for its own account, not with a view toward, nor for the sale in connection with, any distribution thereof, nor with the intention of distributing or selling any interests in the Leases in violation of the Securities Act of 1933 or any other applicable federal or state securities laws and regulations. In entering into this transaction Buyer has complied with all applicable federal and state securities laws and regulations.

5.6 **Independent Investigation.** Buyer is an experienced and knowledgeable investor, and is or has access to personnel who are experienced in the acquisitions and operations in the oil and gas business, is aware of its risks, and is capable of independently evaluating the merits and risks of the investment contemplated by this Agreement. Buyer has, or will have by the Closing, been afforded the opportunity to examine the Leases. Buyer acknowledges that as to the Leases, Buyer is acquiring all of the risks associated with oil and gas industry operations.

5.7 **Brokers.** Buyer has not retained any brokers with respect to this Agreement and agrees to indemnify Seller against any claim by any third person for any commission, brokerage, finder's fee or any other payment based upon any agreement or understanding between such third person and Buyer.

5.8 **Survivability.** The foregoing representations and warranties of Buyer shall survive the Closing for a period of ninety (90) days after the Closing Date.

## SECTION 6 CONDITIONS PRECEDENT TO CLOSING

6.1 **Seller's Conditions to Closing.** The obligations of Seller under this Agreement are subject to the fulfillment (unless waived in writing by Seller) of the following conditions precedent prior to or on the Closing:

- a) Buyer or an Affiliate shall have purchased the Assets and is responsible for all of its assets, records and data.
- b) **Performance of Obligations.** Seller shall have performed all material respects of all agreements and covenants required by this Agreement to be performed by Seller prior to or on the Closing Date.
- c) **Representations and Warranties.** The representations and warranties made by Buyer in this Agreement shall be true and correct at and as of the date of this

this Agreement or the transactions contemplated under this Agreement.

**6.2 Buyer's Closing Conditions.** The obligations of Buyer under this Agreement are subject to the fulfillment (unless waived in writing by Buyer) of the following conditions precedent prior to or on the Closing.

- a) **Performance of Obligations.** Seller shall have performed all material respects of all agreements and covenants required by this Agreement to be performed by Seller prior to or on the Closing Date.
- b) **Representations and Warranties.** The representations and warranties made by Seller as set forth in this Agreement shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date, and with the same force and effect as though made on the Closing Date.
- c) **Pending Legal Action.** On the Closing Date, there shall be no pending or threatened third party claim, suit, action or other proceeding before any court or governmental agency seeking to obtain damages in connection with, or to restrain, prohibit, invalidate, or set aside, in whole or in part, the consummation of this Agreement or the transactions contemplated under this Agreement.
- d) **Government Agency Approval Not a Condition.** It is expressly agreed by the Parties that any necessary Federal or State governmental agency approval or authorization for BUYER to receive assignment of the Leases shall not be a condition precedent to BUYER's obligations under this Agreement.

## **SECTION 7 CLOSING**

**7.1 Closing Time and Place.** Unless the Parties agree in writing to close sooner, the closing of the transactions contemplated by this Agreement (the "Closing") shall occur at 10:00 a.m. MST on or before December 1<sup>st</sup>, 2020 at the offices of the SELLER. The date on which Closing actually occurs is the "Closing Date." Failure to close on or before the "Closing Date" this agreement will be null and void.

**7.2 Seller's Obligations at Closing.** At the Closing:

- a) **Assignments.** Seller shall deliver to Buyer (1) the Assignments for leases and pipelines, and (2) all well records, (3) signed T-1 to transfer operatorship of the wells, (4) copies of leases and right of ways.

**7.3 Buyer's Obligations at Closing.** At the Closing: Wire transfer or cashier's check for \$10.

## **SECTION 8 POST CLOSING OBLIGATIONS**

**8.1 Consents.** Seller shall use its best commercially reasonable efforts after the Closing to obtain timely approval of any consents from those Federal, State and other agencies whose consent to assign the Leases is required. Buyer agrees to cooperate

be terminated at any time prior to the Closing Date by:

- a) The mutual written consent of the Parties.
- b) Seller, if any of Seller's conditions to Closing set forth in Section 6.1 have not been satisfied at or prior to Closing.
- c) Buyer, if any of Buyer's conditions to Closing set forth in Section 6.2 have not been satisfied at or prior to Closing.

**9.2 Effect of Termination.** If this Agreement is terminated as provided above, this Agreement shall become void and of no further force or effect and neither Party shall have any further obligation or liability to the other Party except as provided in this Agreement and except as to those provisions that survive Closing.

## **SECTION 10 DISPUTE RESOLUTION**

Any dispute arising under or in connection with this Agreement or the subject matter hereof ("Dispute") shall be referred to and resolved by binding arbitration in Kansas City, Kansas, to be administered by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Arbitration shall be initiated within the applicable time limits set forth in this Agreement and not thereafter or if no time limit is given, within the time period allowed by the applicable statute of limitations, by one Party ("Claimant") giving written notice to the other Party ("Respondent") and to the Denver Regional Office of the AAA, that the Claimant elects to refer the Dispute to arbitration. The Parties shall attempt to agree on a single arbitrator but in the event that they are unable to do so within thirty (30) days of the first letter by a Party proposing name(s) of potential arbitrators, then each Party shall choose within fifteen (15) days thereafter one arbitrator qualified to act as such under this Section and these two arbitrators shall choose a third within fifteen (15) days after their selection. All arbitrators must be neutral disinterested parties who have never been officers, directors or employees or attorneys of the Parties or any of their Affiliates, must have not less than ten (10) years experience in the oil and gas industry, and must have a formal financial/accounting, petroleum engineering or legal education. The hearing shall be commenced within thirty (30) days after the selection of the arbitrator(s). The Parties and the arbitrators shall proceed diligently and in good faith in order that the arbitral award shall be made as promptly as possible. The interpretation, construction and effect of this Agreement shall be governed by the Laws of Wyoming, and to the maximum extent allowed by law, in all arbitration proceedings the Laws of Wyoming shall be applied, without regard to any conflicts of laws principles. All statutes of limitation and of repose that would otherwise be applicable shall apply to any arbitration proceeding. The tribunal shall not have the authority to grant or award indirect or consequential damages, punitive damages, exemplary or special damages.

This Section 10 shall survive the Closing.

## **SECTION 11 MISCELLANEOUS**

**11.1 Further Assurances.** The Parties agree that each shall use its reasonable

the other party. Any Party may change the address and/or person to which notices, demands, and other communications are to be sent upon written notice to the other Party or Parties. Notices shall be sent to:

To SELLER:  
RUNNING FOXES PETROLEUM, INC.  
Attn.: Joe Taglieri, President  
14550 East Easter Ave., Ste 200  
Centennial, CO 80112  
Email: joe.taglieri@runningfoxes.com  
Cell: 720 889 0510

To BUYER:  
MID REGION ENERGY LLC  
Attn.: Daniel Varner , Owner/President  
1085 260 St  
Fort Scott, KS 66701  
Email: welderman2015@gmail.com  
Cell: 620 644 2794

**11.3 Entire Agreement; Amendments.** This Agreement, the documents to be executed hereunder, and the Exhibits and Schedules attached hereto constitute the entire agreement between the Parties concerning the subject matter referred to herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties concerning such subject matter. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Parties hereto.

**11.4 Expenses.** Each Party shall be solely responsible for expenses incurred by it in connection with this Agreement and shall not be entitled to reimbursement by the other Party.

**11.5 Governing Law.** This Agreement, the Assignment and any other instruments executed in accordance with the Agreement shall be governed by and interpreted according to the laws of the State of Kansas.

**11.6 Waiver of Consequential.** EACH PARTY HEREBY EXPRESSLY WAIVES, RELEASES AND DISCLAIMS ANY AND ALL RIGHTS TO RECOVER FROM THE OTHER PARTY ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR ANY BREACH OF OR FAILURE TO PERFORM UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, LOST SALES, INCOME, PROFIT, REVENUE, PRODUCTION, RESERVES OR OPPORTUNITY.

**11.7 Waiver.** No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

**11.8 Captions.** The captions in this Agreement are for convenience only and shall

inure to the benefit of the Parties and their respective permitted successors and assigns.

**11.10 Counterparts.** This Agreement may be executed in multiple original counterparts, all of which shall together constitute a single agreement and each of which, when executed, shall be binding for all purposes thereof on the executing Party and its successors and assigns.

**11.11 Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any materially adverse manner to either Party.

**11.12 Not to be Construed Against Drafter.** The Parties acknowledge that they have had an adequate opportunity to review each and every provision contained in this Agreement and to submit the same to legal counsel for review and comment. The Parties agree with each and every term contained in this Agreement. Based on the foregoing, the parties agree that the rule of construction that a contract be construed against the drafter, if any, shall not be applied in the interpretation and construction of this Agreement.

**11.13 No Third-Party Beneficiaries.** This Agreement is not intended to confer any rights or remedies upon any person other than the Parties and their respective permitted successors and assigns.

**11.14 Sales Taxes and Recording Fees.** The Purchase Price provided for hereunder is net of any sales taxes or other taxes in connection with the sale of the Leases. BUYER shall be liable for any sales tax or other transfer tax, as well as any applicable conveyance, transfer and recording fees, and real estate transfer stamps or taxes imposed on the transfer of the Leases pursuant to this Agreement. BUYER shall indemnify and hold SELLER harmless with respect to the payment of any of those taxes including any interest or penalties assessed thereon.

**11.15 Plugging Obligations.** In the event after closing and Buyer's acquisition of the wells listed in Exhibit A and Exhibit B shall be liable both corporately and personally to plug said wells and hold SELLER harmless to any costs incurred either through actions or requests by landowners, Kansas Corporation Commission, Environmental Protection Agency or any other governmental agency whether Township, County, State and Federal. BUYER shall bear all costs of plugging and clean-up of said wells in Exhibit A and B.

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the date first above written.

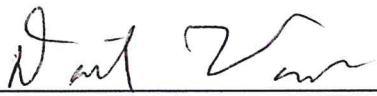
**SELLER:**

**Running Foxes Petroleum Inc.**

By:   
Joe Taglieri  
President

**BUYER:**

**Mid Region Energy LLC**  
Owner/President

By:   
Daniel Varner



## Exhibit "A" Wells

	Lease Name	Well No.	API Number	County	Sec	Twp	Dir	Rge	Dir
1	CLEAVER	5-6A	15-011-23293-0000	Bourbon	6	25	S	24	E
2	CLEAVER	5-6A INJ	15-011-23768-0000	Bourbon	6	25	S	24	E
3	CLEAVER	5-6A-2	15-011-23781-0000	Bourbon	6	25	S	24	E
4	CLEAVER	5-6A-3	15-011-23479-0000	Bourbon	6	25	S	24	E
5	CLEAVER	5-6A-4	15-011-23554-0000	Bourbon	6	25	S	24	E
6	CLEAVER	5-6C	15-011-23294-0000	Bourbon	6	25	S	24	E
7	CLEAVER	5-6C INJ	15-011-23478-0000	Bourbon	6	25	S	24	E
8	CLEAVER	5-6C INJ3	15-011-23588-0000	Bourbon	6	25	S	24	E
9	CLEAVER	5-6C-2	15-011-23480-0000	Bourbon	6	25	S	24	E
10	CLEAVER	5-6D-2	15-011-23481-0000	Bourbon	6	25	S	24	E
11	CLEAVER	5-6D-3	15-011-23482-0000	Bourbon	6	25	S	24	E
12	CLEAVER	7-6B INJ	15-011-23653-0000	Bourbon	6	25	S	24	E
13	CLEAVER	7-6B INJ2	15-011-23660-0000	Bourbon	6	25	S	24	E
14	CLEAVER	7-6B-2	15-011-23675-0000	Bourbon	6	25	S	24	E
15	CLEAVER	7-6B-3	15-011-23578-0000	Bourbon	6	25	S	24	E
16	CLEAVER	7-6C INJ	15-011-23661-0000	Bourbon	6	25	S	24	E
17	CLEAVER	7-6C-1	15-011-23639-0000	Bourbon	6	25	S	24	E
18	CLEAVER	7-6C-2	15-011-23579-0000	Bourbon	6	25	S	24	E
19	CLEAVER	7-6C-3	15-011-23580-0000	Bourbon	6	25	S	24	E
20	CLEAVER	7-6C-4	15-011-23645-0000	Bourbon	6	25	S	24	E


  
Buyer's Initials      12/1/2020
  
 Date


  
Seller's Initials

47	GROSS	12-6B INJ	15-011-23520-0000	Bourbon	6	25	S	24	E
48	GROSS	12-6B-4	15-011-23519-0000	Bourbon	6	25	S	24	E
49	GROSS	12-6C-4	15-011-23564-0000	Bourbon	6	25	S	24	E
50	GROSS	12-6D-1	15-011-23559-0000	Bourbon	6	25	S	24	E
51	GROSS	12-6D-2	15-011-23560-0000	Bourbon	6	25	S	24	E
52	GROSS	13-6	15-011-23522-0000	Bourbon	6	25	S	24	E
53	GROSS	13-6D-4	15-011-23517-0000	Bourbon	6	25	S	24	E
54	GROSS	14-6B	15-011-23523-0000	Bourbon	6	25	S	24	E
55	GROSS	11-6D-2	15-011-23673-0000	Bourbon	6	25	S	24	E

  
Seller's Initials

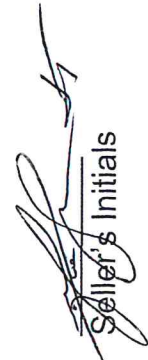
  
Buyer's Initials

12/1/2020  
Date

21	CLEAVER	5-6B INJ	15-011-23483-0000	Bourbon	6	25	S	24	E
22	CLEAVER	5-6B INJ3	15-011-23586-0000	Bourbon	6	25	S	24	E
23	CLEAVER	5-6C INJ2	15-011-23587-0000	Bourbon	6	25	S	24	E
24	GROSS	11-6A INJ	15-011-23756-0000	Bourbon	6	25	S	24	E
25	GROSS	11-6A INJ2	15-011-23757-0000	Bourbon	6	25	S	24	E
26	GROSS	11-6A INJ3	15-011-23758-0000	Bourbon	6	25	S	24	E
27	GROSS	11-6A INJ4	15-011-23759-0000	Bourbon	6	25	S	24	E
28	GROSS	11-6A-1	15-011-23634-0000	Bourbon	6	25	S	24	E
29	GROSS	11-6A-2	15-011-23791-0000	Bourbon	6	25	S	24	E
30	GROSS	11-6A-3	15-011-23671-0000	Bourbon	6	25	S	24	E
31	GROSS	11-6A-4	15-011-23672-0000	Bourbon	6	25	S	24	E
32	GROSS	11-6B INJ	15-011-23770-0000	Bourbon	6	25	S	24	E
33	GROSS	11-6B INJ2	15-011-23760-0000	Bourbon	6	25	S	24	E
34	GROSS	11-6B INJ3	15-011-23761-0000	Bourbon	6	25	S	24	E
35	GROSS	11-6B-1	15-011-23771-0000	Bourbon	6	25	S	24	E
36	GROSS	11-6B-2	15-011-23772-0000	Bourbon	6	25	S	24	E
37	GROSS	11-6B-3	15-011-23561-0000	Bourbon	6	25	S	24	E
38	GROSS	11-6B-4	15-011-23638-0000	Bourbon	6	25	S	24	E
39	GROSS	11-6C-2	15-011-23562-0000	Bourbon	6	25	S	24	E
40	GROSS	11-6D INJ	15-011-23767-0000	Bourbon	6	25	S	24	E
41	GROSS	11-6D-1	15-011-23696-0000	Bourbon	6	25	S	24	E
42	GROSS	12-6	15-011-23513-0000	Bourbon	6	25	S	24	E
43	GROSS	12-6A INJ	15-011-23581-0000	Bourbon	6	25	S	24	E
44	GROSS	12-6A INJ2	15-011-23582-0000	Bourbon	6	25	S	24	E
45	GROSS	12-6A-3	15-011-23557-0000	Bourbon	6	25	S	24	E
46	GROSS	12-6A-4	15-011-23558-0000	Bourbon	6	25	S	24	E

  
Buyer's Initials

12/1/2020  
Date

  
Seller's Initials