

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 _____

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: _____

OIL AND GAS LEASE

Kans - Okla. - Colo.

THIS AGREEMENT, Entered into this 2nd day of May 20 18
 between Gerald D. Michaelis and Elizabeth J. Michaelis Trust dated June 22, 2009; Gerald D. Michaelis and Elizabeth J. Michaelis, Trustees
NW 230th Road, Russell, KS 67665 hereinafter called Lessor,

and Arrowhead Exploration 2919 Hall Street, Hays, KS 67601 hereinafter called Lessee, does witness:

1. That Lessor, for and in consideration of the sum of One and More (+\$1.00) Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the Lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the Lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casing head gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save; take care and other structures of, and manufacture all of such substances, and the injection of water, brine, and other substances into the subsurface strata, said tract of land being situated in the County of Barton State of Kansas and described as follows:

Township 16 South-Range 15 West

Section 2: N/2 of NW/4 EXCEPT: SW/4 of the NW/4 of the NW/4

containing 70 acres, more or less.

2. This lease shall remain in force for a term of Three (3) Years years (called "primary term") and as long thereafter as oil, gas, casing head gas, Casing head gasoline or any of the products covered by this lease is or can be produced.

3. The Lessee shall deliver to Lessor as royalty, free of cost, on the lease, or into the pipe line to which Lessee may connect its wells the equal one-eighth (1/8th) part of all oil produced and saved from the leased premises, or at the Lessee's option may pay to the Lessor for such one-eighth (1/8th) royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The Lessee shall pay to the Lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the Lessee from the sale of gas, gas condensate, gas distillate, casing head gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the Lessee, Lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut-in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said Lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to Lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The Lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the Lessor. When required by Lessor, the Lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the Lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, and no change of ownership in the land or royalties or any sum due under this lease shall be binding on the Lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to Lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of Lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

Index 30
Numerical 30
Cross _____
DC Book _____
Plat Book _____
Military Book _____
Art of Inc Book _____
Scanned 30

REGISTER OF DEEDS PAM WORNKEY
BARTON COUNTY, KS
Book: 620 Page: 2551

Receipt #: 145436 Total Fees: \$38.00
Pages Recorded: 2
Data Recorded: 5/23/2018 10:40:18 AM

Book: 620 Page: 2551

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if Lessee commences additional drilling or reworking operations within one hundred twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but Lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation or more than one hundred twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provisions of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the Lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the Lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If Lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction there over, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any option thereof with other lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said leased premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file of record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage, it shall be treated as if production is had from this lease, whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said Lessor and Lessee.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written:

Gerald D. Michaelis
Gerald D. Michaelis, Trustee

Elizabeth J. Michaelis
Elizabeth J. Michaelis, Trustee

Acknowledgement

State of: Kansas

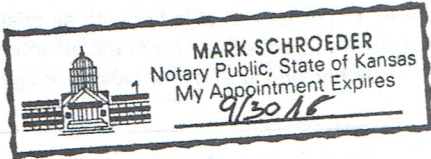
County of: Russell

The foregoing instrument was acknowledged before me this 2nd day of May 2018

By: Gerald D. Michaelis and Elizabeth J. Michaelis Trust dated June 22, 2009; Gerald D. Michaelis and Elizabeth J. Michaelis, Trustees

My commission expires:

[Signature]
Notary Public





AMENDMENT TO OIL AND GAS LEASE
WITH CERTIFICATION OF TRUST

WHEREAS, on May 2, 2018, Gerald D. Michaelis and Elizabeth J. Michaelis Trust each dated June 22, 2009, (each being separate and individual trusts) executed and delivered to Arrowhead Exploration, LLC, an Oil and Gas Lease for a period of three (3) years from the date of the lease and as long thereafter as oil or gas or either of them, was produced from lands covered by the lease as therein provided, which lease is recorded in the office of the Barton County Register of Deeds at Book 620, Page 2551, (hereinafter Subject Lease) and covers the following described land in the County of Barton, State of Kansas, to-wit:

North Half of the Northwest Quarter (N/2 NW/4) EXCEPT the Southwest Quarter of the Northwest Quarter of the Northwest Quarter (SW/4 NW/4 NW/4) of Section Two (2), Township Sixteen (16) South, Range Fifteen (15) West;

AND WHEREAS, the Subject Lease is now in full force and effect; however, the Lessors' interest is now owned by the Gerald D. Michaelis Trust dated June 22, 2009, by reason of a deed dated September 26, 2018, and recorded in the Barton County Register of Deeds at Book 620, Page 4241;

AND WHEREAS the Lessor and Lessee of the Subject Lease wish to amend the Subject Lease to include the ten (10) acre tract that was excepted from the lease so that all references in the Subject Lease to the land, lands or premises leased will reference to the North Half and Northwest Quarter (N/2 NW/4) of Section Two (2), Township Sixteen (16), Range Fifteen (15), Barton County, Kansas, containing 80 acres, more or less;

NOW, THEREFORE, the undersigned, Lessor and Lessee hereby amend the Subject Lease by adding the ten (10) acre tract to the lease, and the Lessor does hereby grant, lease and let exclusively to Lessee the North Half of the Northwest Quarter (N/2 NW/4) of Section Two (2), Township Sixteen (16), Range Fifteen (15), Barton County, Kansas upon the terms and conditions set forth in the Subject Lease as herein amended.

Except as hereinabove amended, all other terms and provisions of the Subject Lease remain in full force and effect.

Gerald D. Michaelis certifies that he is the duly appointed, qualified and acting Trustee of the Gerald D. Michaelis Trust Dated June 22, 2009, and he has full power and authority grant the Subject Lease in the above-described real estate and that this lease is made pursuant to express terms and powers contained in said trust agreement, and such agreement is in full force and effect and has not been amended or revoked.

THIS AMENDMENT to the oil and gas lease is binding upon the parties hereto, and their respective heirs, successors, devisees, administrators, executors, beneficiaries and assigns.

SIGNED on the date set forth in the acknowledgments below.

Gerald D. Michaelis Trust dated June 22, 2009

Arrowhead Exploration, LLC

Gerald D. Michaelis Trustee

By: Matt Morris

Gerald D. Michaelis, Trustee
Lessor

Matt Morris, Manager
Lessee

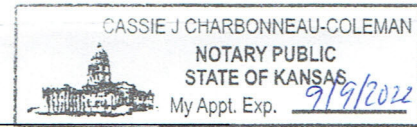
Mail PW
Index OF
Proofed SW OF
Deeds to Clerk OF
Numerical OF
Cross OF
Scanned OF
DC Book _____
Military Book _____
Plat Book _____

STATE OF KANSAS, RUSSELL COUNTY, ss:

This instrument was acknowledged before me this 12th day of January, 2021, by Gerald D. Michaelis as Trustee of the Gerald D. Michaelis Trust dated June 22, 2009.

Cassie J Charbonneau-Coleman
Notary Public

My Appointment Expires:



STATE OF KANSAS, RUSSELL COUNTY, ss:

This instrument was acknowledged before me on this 11th day of January, 2021, by Matt Morris, Manager of Arrowhead Exploration, LLC, a limited liability company.

Daniel W. Krug
Notary Public

Daniel W. Krug
State of Kansas
My Appt. Exp. 11-1-23

My Appointment Expires: 11-1-23