

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: _____

Title: _____

Date: _____

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: _____

BILL OF SALE

Daystar Petroleum, Inc., a Kansas corporation, with principal offices at 522 N. Main, Eureka, KS 67045 ("Seller") for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid by **NORTHERN NATURAL GAS COMPANY**, a Delaware corporation, with principal operational offices at 1111 South 103rd Street, Omaha, Nebraska 68124-1000, ("Buyer"), does hereby grant, sell, transfer, convey and deliver to Buyer all right, title, and interest, subject to an unrecorded Release, Sale & Settlement Agreement dated December 31st, 2020, to the well bores and well pads for those certain wells described on **Exhibit "A"** hereto (collectively the "Assets").

The intent of this Bill of Sale is for Seller to convey to Buyer all right, title, and interest in the well bore(s), well head and well pads for each of the well(s) identified above and the intent of Seller to retain and remove any and all other equipment located at each of the well(s) identified above. Buyer acquires no obligations held by Seller under any oil and gas lease. Any remaining obligations under any oil and gas lease held by Seller remain the obligations of Seller. Buyer is in no way obligated to perform under Seller's oil and gas leases. Seller expressly states that Seller will continue to perform any remaining obligations under Seller's oil and gas leases.

Seller for itself, its successors and assigns, covenants with Buyer, its successors and assigns, that the Assets are free from all encumbrances made by Seller, and that Seller, its successors and assigns shall WARRANT AND DEFEND same unto Buyer, its successors and assigns, against every person whomsoever lawfully claiming by, through or under Seller, or any present affiliate of Seller, but against none other but with full right of substitution and subrogation against all former owners of the Assets.

The Assets are sold to Buyer in their "as is", "where is" condition, and Seller makes no warranty or representation of any kind, oral or written, express or implied, regarding its fitness for a particular purpose.

The right, title, and interest herein conveyed and assigned, and the provisions hereof shall extend to and be binding upon Seller and Buyer and their respective successors and assigns.

Simultaneously, the Buyer and Seller have executed a Release, Sale and Settlement Agreement (the "Agreement"). The Buyer and Seller have set forth in the Release, Sale and Settlement Agreement the obligations of each regarding equipment removal and condition of the wellbore/wellhead for purposes of this sale.

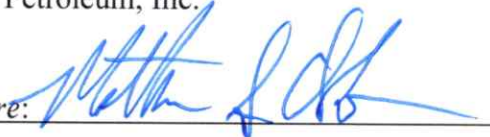
IN WITNESS WHEREOF, Seller has executed this Bill of Sale on the 6th day of January, 2021.

IN WITNESS WHEREOF, Buyer has executed this Bill of Sale on the 14th day of January, 2021.

SELLER:

Daystar Petroleum, Inc.

By:

Signature: 

Print Name: Matthew S. Osborn

Title: President, CEO

BUYER:

Northern Natural Gas Company

By:

Signature: 

Print Name: Bryan P. Kruger

Title: Agent & Attorney-in-Fact

STATE OF KANSAS)
) SS
COUNTY OF GREENWOOD)

(Acknowledgment for "SELLER")

BE IT REMEMBERED, that on this 6th day of January, 2021, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Matthew S. Osborn, President, CEO of Daystar Petroleum, Inc., (name and title of "Seller") personally known to me to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.



My Commission expires:
February 11, 2021

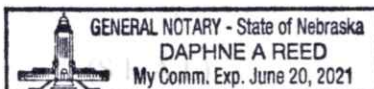
Brenda K. Stewart
Notary Public

STATE OF Nebraska)
) SS
COUNTY OF Douglas)

(Acknowledgment for "BUYER")

BE IT REMEMBERED, that on this 14th day of January, 2021, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Bryan P. Kruger, Agent & Attorney-in-fact (name and title of "Buyer") personally known to me to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he/she executed the same as his/her free and voluntary act and deed, for the uses and purposes therein set forth

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my official seal the day and year first above written.



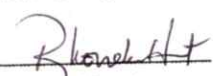
My Commission expires:
June 20, 2021

Daphne A Reed
Notary Public

DESCRIPTION AND LOCATION OF WELL BORE(S), WELLHEAD(S) AND WELL PAD(S) TO BE TRANSFERRED

Edwards B1 Well, located in the SW NW SE of Sec. 11-20S-8W, Rice Co., KS
Sangster 1 Well, located in the SE NE SW of Sec. 11-20S-8W, Rice Co., KS

Document #: 202100116
STATE OF KANSAS
COUNTY OF RICE
This Instrument was filed on: 1/20/2021
At: 2:00 00 PM and duly recorded in
Book: Oil & Gas 165 Page: 971
Fees: \$72


Rice Co., Register of Deeds

DR

February 9, 2021

Jeff Klock
Kansas Corporation Commission
KCC District #2
3450 North Rock Road
Building 600, Suite 601
Wichita, KS 67226

Jeff:

Northern Natural Gas Company (Northern) has purchased two wells from Daystar Petroleum, Inc. (Daystar) in Section 11-T20S-R8W, Rice County, Kansas, the Edwards B1 well located in the SW ¼ NW ¼ SE ¼ and the Sangster 1 well located in the SE ¼ NE ¼ SW ¼. Northern will convert the wells to underground gas storage pressure observation wells if the wells are found to be in mechanically useable condition. If either or both of the wells are not found to be in mechanically useable condition they will be permanently plugged and abandoned.

We are writing this letter to accompany the Transfer of Operator (T-1) form that Daystar will be submitting to the Kansas Corporation Commission as a result of the sale of the two wells to Northern.

Should you have any questions, please feel free to contact me. My contact information is as follows:

John Stewart
Sr. O & M Technician
Lyons Underground Storage
Lyons, Kansas
Cell: 620-562-7811
Office: 402-536-8004
john.stewart@mngco.com

Sincerely,



John Stewart