

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: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

New Operator's Email: _____

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: _____

ELEVATE ENERGY LTD.

KCC License #35795
7424 S Lewiston St.
Aurora, CO 80016

January 6th, 2020

To: Lario Oil & Gas Company
301 S Market St.
Wichita, KS 67202

Re: Thies Ranch Sale Letter Agreement

Pursuant to prior discussions and negotiations, this Letter Agreement ("Agreement") between Elevate Energy Ltd., a Colorado LLC located at 7424 S Lewiston St, Aurora, CO 80016 ("Buyer") and Lario Oil and Gas Company, a Kansas corporation located at 301 S Market St., Wichita, KS 67202 ("Seller"), when signed and returned by Seller, shall serve to confirm acceptance of the purchase offer to sell up to 100% working interest of the Thies Ranch lease, contracts, wells, equipment, materials, and other personal property ("Properties") for the cash consideration of **\$30,000**. The terms and conditions of the sale are described below:

1. Seller agrees to deliver all rights, title and interest in the Properties, free and clear of all liens, mortgages, encumbrances, or other claims of any nature.
2. Properties are defined as the Thies Ranch oil and gas lease(s) covering the W/2 and SE/4 of Sec. 19-T14S-R31W, Gove County, KS, the Thies Ranch wells (Thies Ranch #1-19, API# 15-063-21718; Thies Ranch #2-19 SWD, API# 15-063-21737; Thies Ranch #4-19, API# 15-063-21993; Thies Ranch #5-19, API# 15-063-22034), all associated downhole and surface equipment, the surface use agreement and saltwater disposal agreement(s) covering the NE/4 Sec. 19-T14S-R31W and Thies Ranch #2-19 SWD and associated salt water disposal equipment and infrastructure, and all governing contracts, materials and other personal property as pertains to the aforementioned lease(s) and wells.
3. Any 3D seismic owned by Seller covering the Properties is not considered a part of this transaction, is not considered a part of the Properties, and is not being purchased by Buyer. All other well data, production data, land data, geologic data, and other pertinent information directly concerning the Properties is considered part of the sale and will be delivered by Seller to the Buyer at least two weeks prior to the effective date.
4. Buyer agrees to purchase the Properties for \$30,000 on the basis of delivering 100% working interest. Seller agrees to offer all non-operated working interest owners in the Properties the opportunity to sell alongside Seller at the same price and terms. Seller agrees to act as an intermediary between Buyer and all such interested parties. Should Seller be unable to deliver 100% working interest, the purchase price will be proportionately reduced. Seller will deliver any and all working interest at the current 81.5% net revenue interest.
5. The interests will be delivered in a mutually acceptable form of assignment. Any intermediary assignments taken by Seller and its non-operated working interest owners participating in the sale will be taken with a similar form.
6. Seller acknowledges that Buyer is entering into this Agreement with the expressed intention of becoming the operator of the Properties on the effective date. Should the operations of the Properties not be delivered on the effective date, for any reason whatsoever, including any existing working interest owner in the Properties, participating in this Agreement or not, unwilling to elect Buyer as the new operator, this Agreement will terminate with no recourse or compensation to Seller.
7. The effective date of the sale will be set for March 1st, 2021. This date can be adjusted if mutually agreed upon in writing by Buyer and Seller. The closing date of the sale will be mutually agreed upon by Buyer and Seller.

8. Seller agrees to produce and operate the Properties up to the effective date in a manner as to preserve and deliver a held-by-production underlying oil and gas lease(s).
9. Buyer and Seller will allow for an adjustment to the final closing cost for Seller's share of the marketable oil in the stock tanks and Seller's share of 2021 ad valorem taxes (to be estimated off the actual 2020 ad valorem tax amount) as of the effective date. Buyer and Seller agree to settle the post-closing adjustments within 60 days after the effective date.
10. Upon acceptance of this Agreement, Seller agrees to give Buyer full access to the Properties and all pertinent information as defined in paragraph 3 (not including 3D seismic data), in order to run due diligence on the Properties. Buyer may request an adjustment to purchase price or terminate the deal entirely should it uncover any defects to title, equipment, production, wellbore integrity, or any other issue whatsoever.
11. Buyer will assume the Seller's share of plugging and environmental liabilities. Buyer will not assume any accounting liabilities from Seller, with regards to the Properties, that occurred prior to the effective date.
12. Upon the closing of this deal and successful transfer of Properties from Seller to Buyer, Seller agrees to release Buyer from the Confidentiality Agreement dated December 17, 2020, and upon the closing of this deal, no information or data delivered with the Properties is to be considered covered by said Confidentiality Agreement.
13. Upon signed acceptance of this Agreement, it shall govern the transaction of the Properties through the post-closing adjustment, after which time it shall terminate.

This Agreement will be invalid if not accepted, signed, and returned to Buyer by January 22nd, 2021.

Please confirm your agreement with the foregoing by signing this Agreement in the space provided below and returning to the undersigned at your earliest convenience.

Sincerely,



Brady Pfeiffer, P.E.
President
Elevate Energy Ltd.

Accepted and Agreed to this 22nd day of January, 2021:

X 

Lario Oil and Gas Company,

By: David C. Thorpe

Title: VP of Land