

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: _____

OPERATING SERVICES AGREEMENT

THIS OPERATING SERVICES AGREEMENT (“Agreement”) is made and entered into this 30th day of June, 2021 (“Effective Date”) between Flatland Energy, LLC (“Operator”) and Rogers Oil, LLC (“Rogers Oil” or “Owner”). Owner and Operator are also referred to as “party” and collectively as the “parties”.

WHEREAS, Rogers Oil is the owner of that certain oil and gas lease commonly known as the Rogers Lease, located in Franklin County, Kansas, (the “Lease” or the “Rogers Lease”), as further described in Exhibit A and incorporated herein by reference; and

WHEREAS, Owner desires to hire Operator, and Operator desires to be hired by Owner, to perform pumping and lease operating services on the Rogers Lease as further described herein; and

NOW THEREFORE, in consideration of the premises and mutual benefits contained herein, the Parties, intending to be legally bound, agree as follows:

1. **Designation of Operator.** Operator is engaged hereunder by Owner to operate for the production of oil certain working interests in the Lease owned by Owner solely as an independent contractor operating under and governed by this Agreement. Operator shall maintain its good standing with the Kansas Corporation Commission, Oil and Gas Conservation Division, and, subject to the terms of this Agreement, shall be listed as the operator of record for the Lease with the Oil and Gas Conservation Division as to the Lease, subject to paragraph 11 below. However, Operator shall not incur any liability for plugging any of the wells located upon the Lease or obtain any ownership of the Lease or any personal property located thereon as a result of this Agreement or as the designation of Operator as the operator of record for the Lease with the Kansas Corporation Commission, Oil and Gas Conservation Division.

2. **Liability of Operator.** Operator shall not be liable for errors of business judgment or mistakes unless such errors or mistakes result from gross negligence or willful misconduct, and Operator may rely on the advice of counsel for any legal matters, and actions taken upon such advice shall be deemed in good faith. Owner agrees to hold harmless Operator from any and all claims by any Owner of the Lease. Operator shall each be responsible for 50% of all fines, civil claims, regulatory compliance, any third party claims, or any governmental or state agency or administrative body, based upon the Operation of the Lease.

Operator and Owner each waive any right to special, indirect and consequential damages against the other party hereto.

3. **Operating Expenses and Production Revenue.** Except as otherwise stated herein, all income generated in the operation of the lease shall be distributed 43.75% to Operator and 56.25% to Owner and all operating and development costs and expenses accrued and incurred in the operation of the Lease shall be borne 50% by Operator and 50% by Owner.

4. **Contract Lease Operating Services.** In consideration for the Operator Fee, as defined below, Operator shall gauge the production tanks, check all wells, monitor the injection system, and supply the labor and tools necessary to, repair or replace any electric motors, belts or above ground hoses and coordinate crude oil pickups from the Rogers Lease (the “Operating

Services”). The obligations placed on Operator in the preceding sentence shall be an exclusive list of services that are included within the Operator Fee, all other services and all out of pocket expenses incurred by Operator shall be paid 50% by Operator and 50% by Owner.

All services rendered by Operator hereunder shall be performed in accordance with industry standards as applicable to the region or area where the work is to be performed.

5. **Necessary Equipment and Materials.** In consideration of the Operator Fee, Operator shall provide all labor, equipment and services to provide and perform Operating Services. For services beyond, or in addition to, Operating Services, or for equipment and materials required to be purchased from third-parties, Operator may, subject to Section 7, elect to 1) provide all labor, equipment and materials and be reimbursed for all equipment and materials furnished by Operator at Operator’s standard prices for such labor, equipment and materials; or 2) require Owner to purchase all equipment and materials directly and subsequently provide the same to Operator to be used upon the Lease. Operator shall not be required to request authorization for expenditure before providing services, equipment, labor or material which will be subject to charges in addition to the Operator Fee, so long as such services, equipment, labor or material are for the purpose of repairing, remediating or correcting any condition upon the Lease or ensuring that the Lease continues to operate in accordance with industry standards and such expenditure individually does not exceed \$1,000. In addition, Operator may make minor capital improvements upon the Lease which will be subject to reimbursement in addition to the Operator Fee without requesting authorization from Owner. For the purpose of this paragraph a “minor capital improvement” shall mean any capital improvement upon the Lease which will be individually less than \$1,000.00 of charges in addition to the Operator Fee; for the purposes of this paragraph a “capital improvement” shall mean the purchase of additional equipment for the purpose of improving something upon the Lease that already functions adequately, and which is not done for the purpose of repairing, remediating or correcting any condition upon the Lease. It is expressly understood that Operator shall use its best efforts not undertake minor capital improvements which in the aggregate would result in more than \$2,000 of charges not authorized by Owner in advanced.

6. **Operator Fee.** The Operator shall receive, in addition to reimbursement for 50% of all costs incurred, 43.75% of all revenue generated from the operation of the Lease (the “Operator Fee”), for the duration of this Agreement. The Operator Fee shall be paid directly from Plains Marketing L.P and the remaining 56.25% of the revenue generated in the operation of the Lease shall be paid to Owner by Plains Marketing L.P. It is expressly understood and agreed that the Rogers Lease is not burdened by any landowner royalty interests, overriding royalty interests or other burdens payable out of the working interest, and no such burdens shall be created by Owner during the term of this Agreement. The Operator Fee shall be in consideration for the Operating Services and the listing of Operator as the operator of record of the Lease with the Kansas Corporation Commission. The Operator Fee shall not include any insurance, compliance work, regulatory filings or other office related expenses, or any services beyond the Operating Services, and such items shall be paid 50% by Operator and 50% by Owner.

7. **Operating Rights and Duties of Operator.**

- a. Competitive Rates and Use of Affiliates: All services in addition to the Operating Services shall be provided on a competitive contract basis at the competitive rates and in the manner prevailing in the area, by Operator, Operator’s affiliates, or any third-party hired by Operator. Operator may, at its option, employ its own tools and equipment or those of an affiliate to perform any services or operations in addition to

the Operating Services, and its charges therefore shall be at Operator's standard rates, and such work shall be performed by Operator under terms and conditions as are customary and usual in the area in contracts of independent contractors who are doing work of a similar nature. If Owner believes that any charges by Operator exceed the competitive rates in the area, Owner shall promptly notify Operator of such belief.

- b. Access to Lease and Records: Operator shall permit Owner or its duly authorized representatives, at the Owner's sole risk and cost, full and free access at all times to all operations of every kind and character being conducted on the Lease and to the records of operations conducted thereon or produced therefrom, including Operator's books and records relating thereto.
- c. Insurance: Operator shall carry liability insurance for the benefit of both Owner and Operator which shall be paid 50% by Operator and 50% by Owner. Neither party shall be required to carry any additional insurance for the benefit of the other party of any kind.

8. **Reimbursement.** Operator will invoice Owner at the end of every month for 50% of any additional charges and expenses incurred in in the operation of the Lease during said month, excluding the Operating Services. Owner shall pay said invoice in full within Fifteen (15) days after the receipt of such invoice from Operator. If Owner disputes the charges contained in any invoice submitted by Operator, Owner shall be required to deliver a written statement outlining the Owner's dispute over any charges within Fifteen (15) days after receipt of the disputed invoice. The Parties shall thereafter attempt to resolve such dispute and if such dispute is not resolved within the time that payment upon said invoice is due, Owner shall deliver payment for all undisputed charges on the due date. Complying with this procedure shall be a prerequisite to Owner's right to contest the charges in any invoice submitted by Operator if any charge is not timely disputed, it shall conclusively be determined that such charge is accurate and is due and owing by Owner.

9. **Lien in Favor of Operator.** Operator is given a first and preferred lien and security interest on the interest of the Owner in oil and gas produced, the proceeds thereof, the leases subject to this agreement, and all equipment, personal property and fixtures located thereon to secure the payment of all sums due from Owner hereunder including all costs, expenses and attorney fees incurred in enforcing Operator's rights hereunder. Provided, however that this lien and security interest must be foreclosed judicially utilizing the same procedure required for the foreclosure of statutory mechanics liens. This paragraph shall in no way limit any of Operator's rights or remedies against Owner as a result of any Owner breach of this Agreement and Operator shall have all rights of a secured creditor provided in the Kansas Uniform Commercial Code for the enforcement of such lien and security interest.

10. **Term.** This Agreement shall remain in full force until June 30, 2026 (the "Initial Term") and shall continue effect thereafter until either party elects to terminate said agreement pursuant to Section 13 hereof.

11. **Insurance.** Neither party shall be required to carry insurance beyond liability insurance which shall be carried for the benefit of both Owner and Operator and shall be paid 50% by Operator and 50% by Owner. Neither party shall be required to carry any other insurance of any kind for its own benefit or for the benefit of the other party relating to the Lease, including oil and salt water spills or other environmental hazards. Operator shall not be required to carry insurance, nor shall Operator bear the risk of loss of any well or other equipment damaged by Operator while

operating the wells located upon the Lease. Operator and Owner shall each be responsible for 50% of any spills or damages caused by Operator while operating the wells located upon the Lease. Owner shall be responsible for plugging all abandoned or damaged wells in accordance with the applicable rules and regulations. Owner and Operator shall jointly be responsible for ensuring that all operations and conditions upon the Lease comply with applicable statutes rules and regulations, and all fines, penalties or orders issued by state or federal administrative agencies shall be paid 50% by Owner and 50% by Operator.

12. **Lease Burdens.** Owner shall bear the responsibility for ensuring that all lease covenants and production requirements are complied with. Operator shall not be liable to Owner for any oil and gas lease which is terminated, forfeited, or canceled as a result of Operator's actions or inaction.

13. **Termination of Agreement.** Either party may terminate this agreement at any time after the expiration of the Initial Term by delivering written notice to the other party not less than thirty (30) days prior to the desired termination date. Upon termination of this Agreement each party shall be relieved of all duties and obligations arising subsequent to the date of termination. Upon the termination of this Agreement, Owner shall promptly designate a new operator with the Kansas Corporation Division, Oil and Gas Conservation Division for the Lease and all wells located thereon.

14. **Force Majeure.** If any party is rendered unable, wholly or in part, by *force majeure* to carry out its obligations under this agreement, other than the obligation to make monetary payments, that party shall give prompt written notice to the other party of the *force majeure* with reasonably full particulars concerning it; thereupon, the obligations of the party giving the notice, so far as it is affected by the *force majeure*, shall be suspended during, but no longer than, the continuance of the *force majeure*. The affected party shall use all possible diligence to remove the *force majeure* as quickly as possible.

15. **Liability of Operator.** It is expressly understood and agreed that Operator shall not be liable to Owner or to any third party for any damage, injury or loss sustained as a result of any condition upon the Lease or anything occurring upon or near the Lease, except anything occurring due to negligence on the part of the Operator. Owner agrees to indemnify and hold Operator harmless for and against any such claims, costs, expenses attorney fees, losses or damages incurred by Operator as a result of any claim, demand or cause of action arising as a result of a condition upon the Lease or anything occurring upon or near the Lease, except for any claim arising by reason of negligence on the part of the Operator.

16. **Counterparts.** This Agreement may be executed in one or more counterparts as one agreement and shall be binding upon Operator and Owner, their heirs, devisees, legatees, administrators, executors, successors and assigns, when executed by Owner and Operator.

17. **Joint Drafters.** The parties shall be considered joint drafters of this Agreement so as not to construe this Agreement against one party as drafter more than the other.

18. **Severability.** In the event that one or more of the provisions hereof shall be held to be illegal, invalid, or unenforceable, such provision(s) shall be deemed severable and the remaining provisions hereof shall continue in full force and effect.

19. **Amendments.** This Agreement may be amended or modified only by a written instrument executed by the Owner and Operator.

20. **Applicable Law.** This Agreement shall be governed, construed and enforced in accordance with the laws of Kansas. The venue of any action shall be in Franklin County, Kansas. If any party breaches this Agreement or if a dispute arises regarding any term or condition hereof or the performance hereunder which is submitted to litigation or alternative dispute resolution the prevailing party in such dispute shall be entitled to recover, its costs, expenses, expert witness fees and attorney fees incurred in enforcing its rights hereunder.

21. **Prior Agreements.** This Agreement, as may be amended, and the exhibits attached hereto constitute the entire Agreement between Owner and Operator with respect to the operation of the Lease and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

22. **Waiver.** No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance of this Agreement shall be construed as a consent or waiver to or of any subsequent breach or default in the performance by such other party of the same or any other obligations hereunder.

23. **Notices.** All notices authorized or required between the Parties by any of the provisions of this Agreement shall be in writing, in English, and delivered in person, by courier service or sent by reputable overnight express mail courier, addressed in each case to the addresses set forth below, or to any other address that such Party may designate in writing to the other Party for receipt of notice as set forth below. Oral communication does not constitute notice for purposes of this Agreement. A notice given under any provision of this Agreement shall be deemed delivered on the day in which it was actually delivered to such party or to such parties office, employees or others accepting mail at the address listed below, as indicated by the courier delivering such notice. All notices, communications and waivers under this Agreement shall be addressed as follows:

IF TO ROGERS OIL:

Rogers Oil, LLC
4040 Thomas Road,
Wellsville, KS 66092

IF TO FLATLAND ENERGY, LLC:

Flatland Energy, LLC
Attention: Jerid Hoehn
573 E. 2200 Rd. Eudora, KS 66025

And with a copy to:

Anderson & Byrd, LLP
Attention: Keith A. Brock
216 S. Hickory, P.O. Box 17
Ottawa, KS 66067

24. **Time is of the Essence.** Both parties agree that time is of the essence in this Agreement, that all things to be done must be done timely, and that any delay in the performance of any obligation contained herein, no matter how slight, shall be deemed a material default under this Agreement.

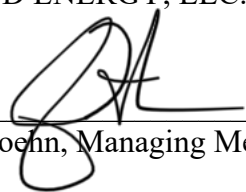
25. **Third Party Beneficiaries.** The parties stipulate and agree that this Agreement is not intended for the benefit of any third parties and that there shall be no third party beneficiaries to this Agreement who shall be entitled to enforce the terms of this agreement against either of the parties hereto.

This Agreement shall be effective on the effective date shown above.

Operator:

FLATLAND ENERGY, LLC.

By: _____


Jerid Hoehn, Managing Member

Owner:

ROGERS OIL, LLC

By: _____

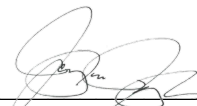

Joseph Rogers, Managing Member

EXHIBIT A
(Description of oil and gas Lease)

ROGERS LEASE

Dated: June 30, 2021

Recorded:

Lessors: James T. Rogers and Sandra J. Rogers, husband and wife; and Joseph W. Rogers and Jennifer L. Rogers, husband and wife

Lessee: Rogers Oil, LLC.

Description: The NE/4 of Section 25, Township 15 South, Range 20 East, Franklin County, Kansas EXCEPT Beginning at a 3/8" rebar at the Northwest corner of the Northeast Quarter of Section 25, Township 15 South, Range 20 East of the 6th Principal Meridian, Franklin County, Kansas; thence North 89 degrees 19 minutes 01 seconds East, along the North line of said Northeast Quarter, 580.00 feet to a 1/2" rebar; thence South 00 degrees 24 minutes 52 seconds West, 835.00 feet to a 1/2" rebar; thence South 89 degrees 19 minutes 01 seconds West, 580.00 feet to a 1/2" rebar on the West line of said Northeast Quarter; thence North 00 degrees 24 minutes 52 seconds East, along said West line, 835.00 feet to the Point of Beginning. Said property contains 11.12 acres more or less, in Franklin County, Kansas