

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: _____

PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made the 09 day of ~~August~~ ^{SEP}, 2021, by and between among KRACKEN OPERATING COMPANY, LLC (hereinafter referred to as "Seller"), and HARRISON GILLILAND (hereafter referred to as "Purchaser").

1. Purchaser hereby agrees to purchase and Seller hereby agrees to sell all of Seller's right, title and interest in and to the oil and gas lease listed on **Exhibit A** (the "Lease"), attached hereto and made a part hereof by this reference and described therein, together with the rights and property incident and appurtenant thereto, including without limitation all of Seller's right, title and interest in and to:

a) The Cooley 1 (API 15-065-01355), the Cooley 2 (API 15-065-02984), and the Cooley 3 (API 15-065-03107) wells (all of which are hereinafter collectively referred to as the "Wells"), including disposal and injection wells, easements, permits, salt water disposal agreements, gathering lines or other pipelines, tanks, compressors, and all other equipment and personal property with respect to the Wells located on the Lease or lands described on **Exhibit A**, or which are appurtenant thereto or used in connection with the development and operation thereof;

b) All easements, rights of way, surface leases and other interests in the real estate described on **Exhibit A**, or incident or pertaining to the Lease or Wells; and

c) All contracts and contractual and legal rights of every nature pertaining to the Lease or Wells (other than the right to payment of proceeds from the sale of production prior to closing), including without limitation all operating agreements, rights to share in production by virtue of declarations of units or unitization agreements, gas purchase contracts, salt water disposal agreements, division orders, or other contracts, express or implied, together with the right to enforce, collect, and receive any amounts owing under any agreements or pursuant to any contractual arrangements, law, or regulation, arising from occurrences or circumstances after the Closing Date (hereafter defined).

2. The purchase price shall be Two Hundred Fifty Three Thousand and no/100ths Dollars (\$253,000.00) payable by wire transfer or other immediately available funds at closing.

3. The sale and purchase of the Lease shall be closed on or before ~~September 20~~ ^{OCTOBER 1}, 2021 ("Closing Date"), at such place as Seller and Purchaser shall mutually agree. The sale of the Lease shall be effective as to all production and as to all costs and expenses of development and operation as of the Closing Date. Seller will cause the storage tanks to be gauged at 7:00 o'clock a.m. on the Closing Date. The volume of oil in the storage tanks at the time of measurement will remain the property of Seller and is not part of this sale. Upon Purchaser's first sale of oil from the Lease, Purchaser will account to Seller for the volume of oil in the tanks as of the time of measurement on the Closing Date and upon receipt of payment remit the sales proceeds (net of any deductions made by the purchaser) attributable to such volume of oil to Seller in the form of a company check.

4. The personal property taxes levied and assessed against the Lease for the calendar year of 2021 shall be prorated as of the Closing Date of the sale of the Lease. If the taxes for such year are not available at the date of closing, then such taxes shall be prorated on the basis of the taxes levied and assessed for the year of 2020.

5. Seller agrees to sell and assign title to the Lease free and clear of all mortgages, liens, or other encumbrances, subject to the royalty reserved by the lessor under the Lease and the overriding royalty interests, if any, of record. Purchaser shall have 20 days after the date of this Agreement, at its expense to obtain any title evidence it may deem necessary and to examine titles and to make any objections to titles due to defects therein. Seller does not agree to perform any curative title work, but agrees to cooperate fully in such work. If title to the Lease cannot be made marketable with reasonable effort on or before the Closing Date, Purchaser may at its option extend the time of closing until October 15, 2021. In the event Seller is unable to furnish title to the Lease acceptable to Purchaser on or before October 15, 2021, then Purchaser may terminate this Agreement, as Purchaser's sole remedy, and all parties shall be relieved of any further obligations hereunder.

6. On or before the date of closing, Seller agrees to furnish Purchaser documentary or other evidence satisfactory to Purchaser establishing that all bills for labor or materials incurred prior to the Closing Date for development and operation of the Lease which could form the basis for mechanics' or other liens have been paid. Seller further agrees that from the date hereof until the date of closing not to incur any costs or expenses for development or operation of the Lease not in the usual and ordinary course of operation of the Lease. At closing, Seller agrees to waive any claim it may have for an operator's lien or for operator's charges for operating the Lease.

7. At closing, the purchase price shall be paid to Seller by wire transfer or other immediately available funds, and Seller shall execute and deliver a good and sufficient assignment of the Lease to Purchaser in the form of **Exhibit B**. Seller will execute and deliver Forms T1 (in electronic or other format as required by the KCC) with respect to the Wells transferring operations to Purchaser, and Purchaser shall accept operations of the Wells on the Forms T1 effective as of the Closing Date.

8. The parties acknowledge that there is mechanical debris or junk ("Junk") at the bottom of the well bore of the Cooley 2 well. Seller represents that the Junk does not extend more than 100 feet above the bottom of the well. Seller makes no other representation or warranty concerning the quality, nature, or condition of the Wells, the equipment or other personal property located on the Lease. Except as otherwise expressly provided herein, seller **DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES AS TO THE CONDITION OF THE WELLS, EQUIPMENT AND OTHER PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, and Purchaser agrees the assignment of all such assets will be on an "AS IS" basis.**

9. Seller warrants and represents that Seller has the power to enter into this Agreement and to carry out Seller's obligations hereunder. This Agreement constitutes the valid and binding agreement of Seller and is enforceable in accordance with its terms subject to applicable bankruptcy, reorganization, insolvency, and similar laws affecting the rights of creditors and subject to general principles of equity.

10. At closing, Seller agrees to deliver to Purchaser all well files, billing and pay sheets and decks, logs, and other geological and engineering information in Seller's possession pertaining to the development and operation of the Lease and Wells, but specifically excluding proprietary geophysical and seismic records.

11. Purchaser and Seller agree to share equally the attorney's fees for the drafting of this Agreement and closing documents, and all other costs of closing. Purchaser acknowledges that the firm of Morris, Laing, Evans, Brock, & Kennedy, Chartered, represents only Seller in this transaction. Purchaser understands that he may request independent legal representation from an attorney of his choice.

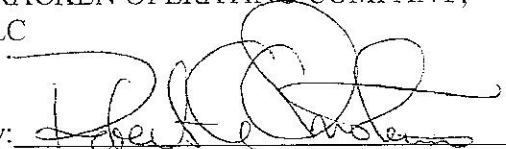
12. All covenants, warranties, representations, and disclaimers contained herein shall survive the closing.

13. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument, and all signature pages may be collected into a single counterpart for recording and record-keeping purposes. Electronic or other facsimile signatures may be exchanged and shall be binding on the parties as though they were original signatures.

14. This Agreement shall be governed, construed, and enforced in accordance with the internal laws of the State of Kansas (without giving effect to principles of conflicts of law).

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

KRACKEN OPERATING COMPANY,
LLC

By: 
Robert A. Christensen, Manager

“SELLER”


HARRISON GILLILAND

“PURCHASER”

EXHIBIT A

LEASE

Lease Date:	October 8, 1948
Lessor:	Wayne Cooley
Lessee:	Lion Oil Company
Recording Data:	Book 33, Page 153
Description:	Insofar, and only insofar, as it covers the West Half of the Southwest Quarter (W/2 SW/4) of Section 7, Township 9 South, Range 21 West, Graham County, Kansas
Working Interest:	100%
Net Revenue Interest:	80%