

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**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.*

Form T-1

April 2019

Form must be Typed
Form must be Signed
All blanks must be Filled

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 _____

KDOR Lease No.: _____

* Lease Name: _____ * Location: _____

A separate sheet may be attached if necessary.

* When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2021

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 (see Chapter 55 of the Kansas Statutes Annotated), 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: _____

**ASSIGNMENT OF WORKING INTERESTS
IN OIL AND GAS LEASES**

[EDWARDS COUNTY, KANSAS]

CASTELLI ENERGY, L.L.C., an Oklahoma limited liability company, individually and as successor-by-merger to **Castelli Exploration, Inc.**, and **MC3 Energy, L.L.C.** (hereafter, "**Assignor**"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby sell, assign, convey, transfer and set over **95%** of Assignor's right, title and interest in and to its working interest in the oil and gas leases described on **Schedule 1** ("**Leases**"), attached hereto and made a part hereof by this reference, unto the following named parties (collectively, "**Assignee**") in the following percentages, their successors and assigns:

GMDOC, LLC	70%
SAAZ, LLC	10%
ROBERT J. GUTRU, LP	10%
DECKER OIL, LLC	10%

together with a like interest in the rights to pooled or unitized acreage of which the Leases and Wells (defined below) are part, and a like interest in and to the property incident and appurtenant thereto, which shall include, without limitation, all of Assignors' right, title and interest in and to:

- 1) the saltwater disposal agreements described on **Schedule 1** ("**SWD Agreements**"),
- 2) the oil and/or gas wells, and the injection and disposal wells described on **Schedule 1** ("**Wells**"), but ***expressly excluding*** any oil and/or gas wells, injection or disposal wells, or any other well or wellbore of any kind, whether active, inactive, plugged or unplugged and abandoned, situated on the lands covered by the Leases and SWD Agreements that is not specifically described on **Schedule 1**;
- 3) the equipment, machinery, fixtures and other personal, and mixed property situated on the Leases and lands covered by the SWD Agreements, or otherwise appurtenant to or currently used or held for use in connection with the ownership or operation of the Leases, SWD Agreements and Wells, including, without limitation, well equipment, casing, rods, tubing, tanks, pumps, motors, fixtures, machinery, meters, inventory, separators, knock-outs, dehydrators, compressors, treaters, power lines, field

processing facilities, surface and downhole equipment, flowlines, gathering lines and systems, transmission lines and all other pipelines ("Equipment");

- 4) the unsold oil in storage attributable to the Leases ("Stored Oil");
- 5) all permits, servitudes, easements, rights-of-way, operating rights and agreements, orders, assignments, gas purchase and sale contracts, oil purchase and sale agreements, farmin and farmout agreements, transportation and marketing agreements, operating agreements, unit agreements, declarations of units, processing agreements, options, facilities or equipment leases, surface use agreements, warranties, licenses and other contracts, agreements and rights used, held for use, or appurtenant to the beneficial use and enjoyment, ownership or operation of the Leases, SWD Agreements, Wells, and Equipment, or with the production or treatment of oil, gas and saltwater from or attributable to the Leases, SWD Agreements, or Wells ("Contracts");
- 6) all of the files, records, information and data pertaining to the Leases, SWD Agreements, Wells, Equipment, or Contracts in the possession of Assignor ("Records"), including, without limitation, title records, abstracts, title opinions, title certificates, title policies, production records, severance tax records, reservoir and well information, drill stem tests, well logs, bond logs, casing pressure and mechanical integrity tests, geologic and geophysical data, and all other information relating in any way to the ownership or operation thereof.

TO HAVE AND TO HOLD the interests and property herein assigned and conveyed by Assignor to Assignee, and the successors and assigns of Assignee, according to the terms and conditions of the Leases and SWD Agreements, and together with all and singular tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining.

Assignors hereby warrants to Assignee that its working interest and net revenue interest in and to the Leases and Wells are being delivered as to all lands and depths described on Schedule 1 and at not less than working interest and net revenue interest stated therein, free and clear of liens and encumbrances. The working interests and net revenue interests in the Leases and Wells stated on Schedule 1 are for purposes of this warranty of title, but do not constitute a limitation on the interests assigned hereunder, which shall include all of Assignor's working interest in and to the Leases. Notwithstanding the foregoing warranty of title, ASSIGNOR HEREBY EXPRESSLY DISCLAIMS WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND BUYER HEREBY ACKNOWLEDGES THAT IT IS ACQUIRING THE WELLS AND EQUIPMENT "AS-IS, WHERE-IS, WITH ALL FAULTS."

This Assignment of Working Interest in Oil and Gas Leases is made in consideration of, pursuant to and in connection with, and expressly subject to the terms, conditions, representations, warranties and covenants set forth in that certain Asset Purchase and Sale Agreement dated February 24, 2022, but effective as of the end of the day on March 31, 2022 ("Effective Time") by and between Assignor and GMDOC, LLC. The Working Interests assigned hereunder are further subject to that certain Operating Agreement—Castelli Acquisition, dated April 1, 2022, entered

into by Darrah Oil Company, LLC and Grand Mesa Operating Company, as operator, and by Assignor and Assignee as non-operators.

IN WITNESS WHEREOF, this Assignment has been executed the date of the acknowledgments below, but shall be effective for all purposes as of the Effective Time.

“Assignor”:

CASTELLI ENERGY, L.L.C.

By: 
Thomas P. Castelli, Manager

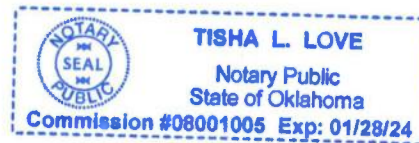
STATE OF Oklahoma)
) ss.
COUNTY OF Oklahoma)

This instrument was acknowledged before me on this 22nd day of April, 2022, by Thomas P. Castelli, as Manager of Castelli Energy, L.L.C., an Oklahoma limited liability company, on behalf of said company.

My commission expires:

01/28/24


Notary Public



"Assignee"

GMDOC, LLC
By its manager
Grand Mesa Operating Company

By: Michael J. Reilly, President

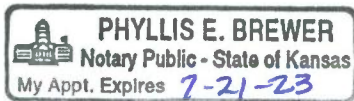
ROBERT J. GUTRU, LP

By: Michael J. Reilly, attorney-in-fact for the
James P. Reilly Revocable Trust, the
General Partner of Robert J. Gutru, LP

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on this 3rd day of ^{May}~~April~~, 2022, by Michael J. Reilly, as President of Grand Mesa Operating Company, a Kansas corporation, as the manager of GMDOC, LLC, a Kansas limited liability company, on behalf of said corporation and company.

My commission expires: July 21, 2023

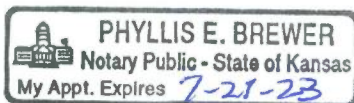


Phyllis E. Brewer
Notary Public, Phyllis E. Brewer 1259

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on this 3rd day of ^{May}~~April~~, 2022, by Michael J. Reilly, as attorney-in-fact for the James P. Reilly Revocable Trust, as the general partner of Robert J. Gutru, LP, a Kansas limited partnership, on behalf of said trust and limited partnership.

My commission expires: July 21, 2023




Phyllis E. Brewer
Notary Public, Phyllis E. Brewer 1259

"Assignee"

SAAZ, LLC

By: 
William J. Darrah, Manager

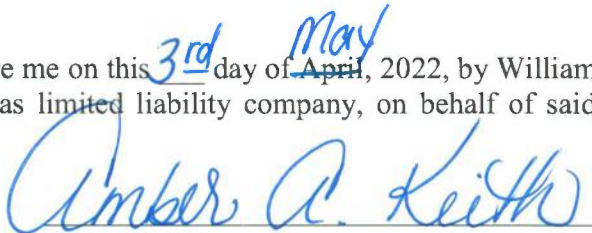
DECKER OIL, LLC

By: 
Stephen Decker, Manager

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on this 3rd day of May, 2022, by William J. Darrah, as manager of SAAZ, LLC, a Kansas limited liability company, on behalf of said company.

My commission expires: 04-15-2023

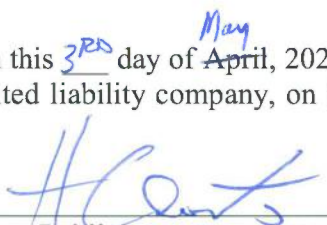

Notary Public

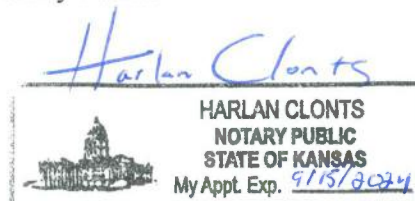


STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on this 3rd day of May, 2022, by Stephen Decker, as manager of Decker Oil, LLC, a Kansas limited liability company, on behalf of said company.

My commission expires: 9/15/2024


Notary Public



SCHEDULE 1
To Assignment of Working Interests in Oil and Gas Leases

“Wells”

NAME	WI%	OIL NRI	GAS NRI	ST:CTY-SEC	API#
DUTTON #1-1	0.97000000	0.77600000	0.77600000	KS:EDWA-001-025S-016W	API:150472141700 0
EMMA SMITH #1	0.95000000	0.82650002	0.82650002	KS:EDWA-001-025S-016W	API:150470680300 0
EMMA SMITH #2	0.97000000	0.77600002	0.77600002	KS:EDWA-001-025S-016W	API:150472142200 0
MARTIN SPAIN #1	0.97000000	0.77600000	0.77600000	KS:EDWA-001-025S-016W	API:150472142300 0
MARTIN SPAIN #2	0.97000000	0.77600000	0.77600000	KS:EDWA-001-025S-016W	API:150472146000 0
WILSON #1-2	0.45000000	0.37167800	0.37167800	KS:EDWA-002-025S-016W	API:150472019400 0
JULIAN #2-5	0.99500000	0.79600000	0.79600000	KS:EDWA-005-025S-016W	API:150472146400 0
JULIAN #3-5	0.96500000	0.77200000	0.77200000	KS:EDWA-005-025S-016W	API:150472147100 0
BARSTOW #1	0.95000000	0.77187500	0.77187500	KS:EDWA-011-025S-016W	API:150470036200 0
WILSON #1-11	0.40000000	0.32100000	0.32100000	KS:EDWA-011-025S-016W	API:150472141000 0
MILLER #1-12	0.97000000	0.77600001	0.77600001	KS:EDWA-012-025S-016W	API:150472141600 0
KEARNEY-PENCE #1	0.59017590	0.48412872	0.48412872	KS:EDWA-035-024S-016W	API:150470006100 0
RANDLE #1	1.00000000	0.80000000	0.80000000	KS:EDWA-036-024S-016W	API:150472143300 0

“Leases”

Edwards County, Kansas

Lessor: Charlene R. Julian and Robert E. Julian, her husband
Lessee: J. Fred Hambright
Dated: May 19, 1998
Recorded: Book 130, Page 222
Description: Township 25 South, Range 16 West
Section 5: S/2

Lessor: Lester A. Hogue and Maurine Hogue, his wife
Lessee: J. Fred Hambright
Dated: May 19, 1998
Recorded: Book 130, Page 232
Description: Township 25 South, Range 16 West
Section 5: S/2

Lessor: Donald H. Hogue and Dorothea L. Hogue, his wife
Lessee: J. Fred Hambright
Dated: May 19, 1998
Recorded: Book 130, Page 233
Description: Township 25 South, Range 16 West
Section 5: S/2

Lessor: Concept Commercials, Inc., a Kansas Corporation
Lessee: J. Fred Hambright
Dated: October 24, 1997
Recorded: Book 129, Page 279
Description: Township 24 South, Range 16 West
Section 36: NE/4

Lessor: William E. Randle and Texanita L. Randle, his wife
Lessee: J. Fred Hambright
Dated: October 16, 1997
Recorded: Book 129, Page 274
Description: Township 24 South, Range 16 West
Section 36: NW/4

Lessor: Emma C. Smith, a widow
Lessee: E.C. Voran
Dated: August 26, 1947
Recorded: Book 31, Page 12
Description: Township 25 South, Range 16 West
Section 12: W/2
Section 1: SW/4

Lessor: W.H. Dutton and Effie Dutton, his wife
Lessee: Skelly Oil Company
Dated: October 12, 1956
Recorded: Book 43, Page 117
Description: Township 25 South, Range 16 West
Section 1: Lots 3 and 4 and S2 NW/4

Lessor: Rudolph W. Martin and Vivian E. Martin, Co-Trustees of the Rudolph W. Martin and Vivian E. Martin Living Trust dated October 25, 1994; Wilma F. Spain and Frank G. Spain, her husband
Lessee: J. Fred Hambright
Dated: February 10, 1997
Recorded: Book 129, Page 40
Description: Township 25 South, Range 16 West
Section 1: Lots 1 and 2 and S2 NE/4

Lessor: Franklin H. Barstow
Lessee:
Dated: April 26, 1956
Recorded: Book 42, Page 218
Description: Township 25 South, Range 16 West
Section 11: NE/4

Lessor: Franklin H. Barstow
Lessee:
Dated: April 26, 1956
Recorded: Book 42, Page 219
Description: Township 25 South, Range 16 West
Section 11: NW/4

Lessor: Shell Oil Company
Lessee:
Dated: March 26, 1957
Recorded: Book 44, Page 141
Description: Township 25 South, Range 16 West
Section 11: N/2

Lessor: Doyle Wilson and Peggy June Wilson, h/w; Ethelmae Page and Leland F. Page, h/w
Lessee: C. Robert Buford
Dated: November 26, 1974
Recorded: Book 80, Page 49
Description: Township South, Range 16 West
Section 2: SW/4

Lessor: Doyle Wilson and Peggy June Wilson, h/w; Ethelmae Page and Leland F.
Page, h/w
Lessee: C. Robert Buford
Dated: November 26, 1974
Recorded: Book 80, Page 50
Description: Township South, Range 16 West
Section 2: Lots 3 and 4 and S/2 NW/4

Lessor: Doyle Wilson and Peggy June Wilson, h/w; Ethelmae Page and Leland F.
Page, h/w
Lessee: C. Robert Buford
Dated: November 26, 1974
Recorded: Book 80, Page 51
Description: Township South, Range 16 West
Section 2: N/2 SE/4

Lessor: Nora D. Kearney, widow, et al
Lessee: Fred Nixon
Dated: April 30, 1957
Recorded: Book 44, Page 109
Description: Township 24 South, Range 16 West
Section 35: Insofar as lease covers SE/4
Township 25 South, Range 16 West
Section 2: NE/4