

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 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: \_\_\_\_\_



January 24, 2022

HG Oil Holdings  
Mr. Harrison Gilliland  
211 SW 9<sup>th</sup> St.  
Plainville, KS 67663

Re: Red Oak Energy, Inc. Intent to Sell certain Oil and Gas Leases and Wells  
to HG Oil Holdings

Dear Mr. Gilliland

This letter, when executed by you, will evidence our mutual intent to enter into a definitive agreement relating to the purchase by HG Oil Holdings, ("HGO"), OF ALL OR PORTIONS OF the group of oil and gas leases and wells in Kansas, known as the "Assets" listed on Exhibit "A" attached to and made a part hereof, from Red Oak Energy, Inc., "ROE", Operator, and its working interest partners (collectively "ROE Group"). The matters set forth in Section I of this letter constitutes an expression of our mutual intent only and are contingent upon the execution and delivery of a definitive agreement between ROE and HGO setting forth in detail all the terms and provisions of the proposed purchase and sale of the Assets.

#### Section I

Upon execution of this letter Kevin C. Davis and Harrison Gilliland will endeavor to enter into a definitive purchase and sale agreement setting forth in detail all of the specific terms and conditions upon which HGO will purchase and ROE Group will sell ALL OR PORTIONS OF the producing oil and gas leases, including all producing wells, fixtures and equipment, Salt Water Disposal Facilities and Pressure Maintenance wells facilities located thereon, in what is known as the Assets, and any seismic data relating thereto. That purchase and sale agreement shall contain representations, warranties, covenants, and conditions that are customarily contained in such agreements for similar transactions, together with ancillary documents that are necessary to accomplish the transaction.

The purchase price for the Assets, subject to adjustments in accordance with the purchase and sale agreement, payable at closing of the transaction, shall be: (A) \$8,512,446, based on 100% of the Working Interest of ROE and the ROE Group for the Assets. The Closing of the transaction is anticipated to occur on or before April 2, 2022, or as otherwise agreed by the parties. ROE shall deliver all of the Working Interest from the CONSENTING ROE Group in the oil and gas leases as described on Exhibit "A" hereto, together with all of the assets used or useful in the operation and ownership of the Assets. The Working Interest Assigned to HGO is subject to Royalty and Overriding Royalty as it appears in the various County Courthouses as it appears of record on January 24, 2022, and as shown on Exhibit "A".

**Section II**

As requested by HGO, ROE shall provide HGO with access to any data in its possession pertaining to the Assets (during normal business hours at the sole cost and expense of HGO) and allow HGO and its representatives reasonable access to the Assets in order to conduct a physical inspection of the Assets.

Each of the parties, including their respective agents, officers and employees, shall maintain the confidentiality of all information received from the other party or reviewed by that party in connection with the proposed acquisition, except information already in the public domain or independently received from a third party.

This proposed sale of all or portions of the Asset are subject to Working Interest Partner consent and approvals and subject to any contractual agreements that pertain to the Assets.

It is understood by the parties hereto that Section I of this letter merely sets forth a statement of the mutual intentions of the parties with respect to the proposed purchase and sale agreement outlined herein and does not contain all matters upon which agreement must be reached in order for the proposed transaction to be consummated. A binding commitment with respect to the proposed sale of all or portions of the Assets will result only from the execution and delivery of a final and definitive Purchase and Sale Agreement.

Neither this letter nor any of the rights, interests, or obligations hereunder may be assigned by any of the parties hereto without the prior written consent of the other party. Each party shall bear and pay its own expenses incurred in connection with the transaction contemplated hereby.

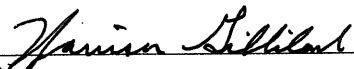
The provisions of Section II of this letter constitute the entire binding agreements between the parties and supersede all prior oral or written agreements, understandings, representations, and warranties between the parties with respect to the subject matter of Section II.

If the foregoing accurately sets forth the understanding between us with regard to the proposed purchase and sale of all or portions of the Assets, please sign this letter in the space provided below for your signature and return it to me. This letter of intent shall be open to your acceptance until 5:00 p.m. CDT on January 31, 2022, at which time it shall be deemed withdrawn. Please feel free to contact me if you have any questions or comments.

Very truly yours,



Agreed to and accepted this 25<sup>th</sup> day of Jan., 2022, by HG Oil Holdings

By:   
Name:

Owner  
Title:

EXHIBIT A

<u>Lease</u>	<u>Location</u>	<u>Net Revenue Interest</u>
Harkness 1-4	Sec. 4-T20S-R34W, Scott County, KS	0.81250000
Headquarters 1-35	Sec. 35-T29S-R16W, Kiowa County, KS	0.81250000
Heyd 2-14	Sec. 14-T17S-R33W, Scott County, KS	0.81250000
J. Smith 1-1	Sec. 1-T15S-R41W, Wallace County, KS	0.81250000
Lamer Trust 1-20	Sec. 20-T17S-R25W, Ness County, KS	0.81000000
Mader 1-7	Sec. 7-T10S-R25W, Graham County, KS	0.81000000
Mowry Trust 1-21	Sec. 21-T8S-R25W, Graham County, KS	0.81000000
Popp/Smith 1-6	Sec. 6-T15S-R40W, Wallace County, KS	0.84375000
Prairie Wind 1-35	Sec. 35-T14S-R41W, Wallace County, KS	0.80000000
PWAB Unit 1-35	Sec. 35-T14S-R41W, Wallace County, KS	0.80000000
SGO 1-2	Sec. 2-T15S-R41W, Wallace County, KS	0.80000000
ST-SI Unit 1-30	Sec. 30-T17S-R33W, Scott County, KS	0.82031250
Walker 1-25	Sec. 25-T16S-R35W, Wichita County, KS	0.81250000

Attached hereto and made a part of the letter agreement dated January 24, 2022.