

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 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, BILL OF SALE AND CONVEYANCE

STATE OF KANSAS §
 § KNOW ALL PERSONS BY THESE PRESENTS
COUNTY OF PRATT §

This Assignment, Bill of Sale and Conveyance (this "**Assignment**") is from K3 ASSETCO, LLC, a Delaware limited liability company ("**K3**"), "**Assignor**" to NEW HORIZON RESOURCES LLC, a North Dakota limited liability company ("**Assignee**"), and is effective as of 12:01 a.m. (Prevailing Central Time) on January 1, 2022 (the "**Effective Time**"). The address for each Assignor is 2121 Sage Road, Suite 325, Houston, Texas 77056 and the address for Assignee is 675 Bering Dr., Suite 390, Houston, Texas 77057.

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Capitalized terms used herein and not otherwise defined in this Assignment (including *Article III*) shall have the meanings given to such terms in that certain Purchase and Sale Agreement, dated October 4, 2021 by and among Banner Oil & Gas, LLC, Woodford Petroleum, LLC and Llano Energy, LLC, collectively as Sellers and U.S. Energy Corporation, as Purchaser (the "**Purchase Agreement**").

ARTICLE II ASSIGNMENT OF ASSETS

Section 2.1 Assignment. Assignors, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grant, bargain, assign, transfer, and convey unto Assignee, and Assignee hereby acquires, all of each Assignor's right, title, to:

(a) the oil, gas, and mineral leases described on **Exhibit A-1** hereto (collectively, the "**Acquired Leases**"), together with any and all other rights title and interests of Assignor in and to the lands covered thereby;

(b) all existing and effective unitization, pooling, and communitization agreements, declarations, and orders covering any of the lands covered or burdened by any of the Acquired Leases or Acquired Mineral Interests (such lands, together with all other lands pooled or unitized under such agreements, declarations, and orders, are referred to herein as the "**Lands**");

(c) all wells (including all Hydrocarbon wells, water wells, disposal wells, injection wells, abandoned wells, and any other wells) and all associated lateral pipelines located on the Lands, whether producing or non-producing (the "**Acquired Wells**" and together with the Acquired Leases and the Acquired Mineral Interests, the "**Acquired Properties**"), including the Hydrocarbon wells listed on **Exhibit A-2**;

(d) (i) all Hydrocarbons in, on, or under, or that may be produced from, the Lands on or after the Effective Time, (ii) all Hydrocarbon inventories from or attributable to the Lands in storage on the Effective Time, and (iii) all Hydrocarbons attributable to make-up rights and obligations with respect to imbalances attributable to the Lands;

(e) to the extent transferable (at no out of pocket cost or expense to Assignors), all Easements on or over the Lands to the extent primarily used or held for use as of the Closing

Date in connection with the ownership of or Operations applicable to the Acquired Properties (the “*Acquired Easements*”);

(f) to the extent transferable (at no out of pocket cost or expense to Assignors), all Permits that have been granted or issued as of the Closing Date solely in connection with Operations applicable to any other any Acquired Property or Acquired Personal Property;

(g) all fee interests in surface real property and leasehold estates in surface real property, in each case, that cover any part of the Lands or are primarily used or held for use in connection with the ownership or operation of the Acquired Assets (the “*Acquired Real Estate*”);

(h) all owned and leased (i) vehicles listed on Exhibit A-3, and (ii) interests in the Equipment and Operating Inventory primarily used or held for use as of the Closing Date in connection with Operations applicable to the Acquired Properties (collectively, the “*Acquired Personal Property*”);

(i) all Hydrocarbon sales, purchase, gathering, and processing contracts, transportation contracts, operating agreements, balancing agreements, joint venture agreements, partnership agreements, farmout and farmin agreements, area of mutual interest agreements, surface use agreements, contribution agreements, and other contracts and agreements, in each case, to the extent the foregoing cover, are attributable to, or relate to any of the other Acquired Assets or to Operations on the Acquired Assets (the “*Acquired Contracts*”), including those Material Contracts listed on Schedule 7.13 of the Purchase Agreement; *provided, however*, that Acquired Contracts do not include any (i) Acquired Lease, Acquired Mineral Interest, Acquired Easement, Permit, or Acquired Real Estate; (ii) master services agreements (other than any master services agreement specifically listed on Schedule 7.13 of the Purchase Agreement, which master services agreement(s), if listed on Schedule 7.13 of the Purchase Agreement, is an Acquired Contract) or (iii) contract or agreement to the extent relating to any Excluded Asset; and

(j) (i) all accounts receivable for which Assignors receive an upward adjustment to the Base Purchase Price pursuant to Section 3.3(a)(iii) of the Purchase Agreement, and (ii) except to the extent relating to any Excluded Assets, and except for Claims, payments, and proceeds under insurance policies (other than proceeds which are to be transferred in connection with any Casualty Losses pursuant to Section 9.7 of the Purchase Agreement), all rights, claims, and causes of action against Third Parties (including warranty and indemnity claims and defenses) to the extent and only to the extent, in each case, (1) arising on or after the Effective Time, (2) assignable and (3) relating to any of the Assumed Liabilities;

(k) all Technical Data in K3’s possession (or in the possession of its Affiliates) that primarily relates to the Acquired Properties of K3 (the “*Acquired Data*”);

(l) to the extent transferable, all Records to the extent relating to the other Acquired Assets described in Section 2.1 through 1.1(k) that are in the possession of an Assignor or any of its Affiliates; *provided, however*, that (i) Records relating to Income Taxes or franchise taxes, constituting Acquired Data, or relating to such Assignor’s business generally, (ii) Records that are subject to a valid legal privilege or to disclosure restrictions, (iii) Records that are not transferable without payment of additional consideration (and Assignee has not agreed in writing to pay such additional consideration), (iv) all e-mails, and (v) all employee files, in each case, shall be excluded (the foregoing items in this subpart (k), less the items listed above as being excluded, and less the other Excluded Assets, collectively, the “*Acquired Records*”); *provided further, however*, such Assignor may retain a copy of all such Acquired Records and shall have no obligation to delete electronic file Acquired Records from such Assignor’s or its Affiliates servers and networks, *provided, that* Assignors use commercially reasonable efforts to keep such information confidential following the date of this Agreement; and.

It is the intent of Assignors to convey and this Assignment, together with the Mineral Deed, hereby convey to Assignee, from and after the Effective Time, the Acquired Assets regardless of errors in description, any incorrect or misspelled names, or any mistranscribed or incorrect recording references, or errantly omitted wells.

TO HAVE AND TO HOLD all and singular of said Acquired Assets together with all rights, titles, interests, estates, remedies, powers, and privileges thereunto appertaining unto

Assignee and Assignee's successors and assigns forever, subject, however, to all the terms and conditions of this Assignment.

Section 2.2 Excluded and Reserved Assets. The Assets shall not include, and Assignor hereby reserves and retains, the Excluded Assets. Additionally, the Acquired Assets covered by this Assignment shall not include Acquired Mineral Interests and related assets covered by the Mineral Deed (including recorded counterparts thereof). Assignors and Assignee acknowledge and agree that the Mineral Deed and this Assignment (including all recorded counterparts thereof) are intended to COLLECTIVELY convey to Assignee all of the "Acquired Assets" as defined and described in the Purchase Agreement. Assignors and Assignee acknowledge and agree that the Mineral Deed and this Assignment are not intended to effect multiple conveyances of the same properties or interests in such properties covered hereby or thereby or multiple assumptions by Assignee of the same Assumed Liabilities as described in the Purchase Agreement.

Section 2.3 Retained Rights and Obligations. The execution and delivery of this Assignment by Assignors, and the execution and acceptance of this Assignment by Assignee, shall not operate to release or impair any surviving rights or obligations of Assignors or Assignee under the Purchase Agreement.

Section 2.4 Special Warranty. Assignor hereby binds itself, its successors and assigns, to warrant and forever defend Defensible Title to the Acquired Wells unto Assignee against every Person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Assignors but not otherwise, subject, however, to (i) the Permitted Encumbrances and (ii) all matters of public record in the federal, state, and/or county records where the Acquired Properties are located. The Acquired Assets are being assigned by Assignors to Assignee without warranty of any kind, whether common law or statutory, express or implied, other than the foregoing special warranty of Defensible Title set forth in this **Section 2.4** and subject to the Permitted Encumbrances and the limitations set forth in **Section 5.3** of the Purchase Agreement. Further, Assignee is specifically assigned, and subrogated to, warranties of title which Assignors may have from its predecessors in interest (other than Affiliates of Assignor) to the extent applicable with respect to the Acquired Assets and to the extent Assignor may legally assign such rights and grant such subrogation.

ARTICLE III ADDITIONAL DEFINITIONS

The following terms, as used herein, shall have the meanings set forth below:

"Entity" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company, or joint stock company), firm, society, or other incorporated or unincorporated enterprise, association, organization, or entity.

"Entity Representative" means, with respect to any Entity, such Entity's directors, partners, managers, members, stockholders, officers, employees, agents, advisors, and attorneys.

"Excluded Assets" shall have the meaning set forth in **Exhibit B** attached to this Assignment.

"Governmental Authority" means any federal, state, local, tribal, or foreign government, court of competent jurisdiction, administrative or regulatory body, agency, bureau, commission, governing body of any national securities exchange, or other governmental authority or instrumentality in any domestic or foreign jurisdiction, and any appropriate division of any of the foregoing.

"Hydrocarbons" means crude oil, natural gas, casinghead gas, condensate, natural gas _____ liquids, and other liquid or gaseous hydrocarbons produced in association with the foregoing.

"Indemnified Purchaser Parties" means Assignee and its Affiliates, and the respective Entity Representatives of the foregoing.

“Indemnified Seller Parties” means Assignors and their Affiliates, and the respective Entity Representatives of the foregoing.

“Person” means any natural person, Entity, or Governmental Authority.

“Third Party” means any Person other than a Party to this Assignment or an Affiliate of a Party to this Agreement.

ARTICLE IV DISCLAIMERS

Section 4.1 Limitations and Disclaimers. EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS SET FORTH IN ARTICLE VII OF THE PURCHASE AGREEMENT AND EXCEPT FOR THE SPECIAL WARRANTY CONTAINED IN THIS ASSIGNMENT, (I) ASSIGNEE ACKNOWLEDGES THAT NEITHER ASSIGNORS NOR OR ANY OTHER INDEMNIFIED SELLER PARTY HAVE MADE, AND ASSIGNORS HEREBY EXPRESSLY DISCLAIM AND NEGATE (ON THEIR BEHALF AND ON BEHALF OF THE OTHER INDEMNIFIED SELLER PARTIES), AND ASSIGNEE HEREBY EXPRESSLY WAIVES AND DISCLAIMS ANY RELIANCE ON, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, INCLUDING RELATING TO PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION, OR THE QUALITY, QUANTITY, VOLUME, VALUE, RECOVERABILITY, OR DELIVERABILITY OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE ACQUIRED ASSETS, OR THE ACCURACY, COMPLETENESS, OR MATERIALITY OF ANY BACKGROUND MATERIALS, ACQUIRED RECORDS, OR OTHER RECORDS, INFORMATION, DATA, OR MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ANY INDEMNIFIED PURCHASER PARTY BY OR ON BEHALF OF ANY INDEMNIFIED SELLER PARTY, OR THE ENVIRONMENTAL OR OTHER CONDITION OF THE ACQUIRED ASSETS, AND (II) ASSIGNORS EXPRESSLY DISCLAIM AND NEGATE (ON THEIR BEHALF AND ON BEHALF OF THE OTHER INDEMNIFIED SELLER PARTIES), AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY AND ALL LIABILITY AND RESPONSIBILITY OF ANY INDEMNIFIED SELLER PARTY FOR ANY REPRESENTATION, WARRANTY, STATEMENT, OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO PURCHASER OR ANY INDEMNIFIED PURCHASER PARTY (INCLUDING ANY OPINION, INFORMATION, PROJECTION, OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ANY SUCH PERSON BY ASSIGNORS OR ANY OTHER INDEMNIFIED SELLER PARTY).

Section 4.2 Further Limitations and Disclaimers. EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS SET FORTH IN ARTICLE VII OF THE PURCHASE AGREEMENT AND EXCEPT FOR THE SPECIAL WARRANTY CONTAINED IN THIS ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNORS EXPRESSLY DISCLAIM AND NEGATE, AND ASSIGNEE HEREBY WAIVES AND DISCLAIMS ANY RELIANCE ON, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE, OR OTHERWISE, AS TO ANY OF THE FOLLOWING: (I) THE CONTENTS, CHARACTER, ACCURACY, COMPLETENESS, OR MATERIALITY OF RECORDS, INFORMATION, DATA, OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE OR ANY INDEMNIFIED PURCHASER PARTY BY OR ON BEHALF OF ANY INDEMNIFIED SELLER PARTY, INCLUDING ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY ANY INDEMNIFIED SELLER PARTY OR THIRD PARTY WITH RESPECT TO THE ACQUIRED ASSETS; (II) THE CONTENTS, CHARACTER, OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL, OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ACQUIRED ASSETS; (III) ANY ESTIMATES OF THE VALUE OF, OR FUTURE REVENUES GENERATED BY, OR COST ESTIMATES CONCERNING, THE ACQUIRED ASSETS; (IV) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION, OR THE QUALITY, QUANTITY, VOLUME, VALUE, RECOVERABILITY, OR DELIVERABILITY OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE ACQUIRED ASSETS OR ASSIGNORS' INTEREST THEREIN; (V) TITLE TO ANY OF THE ACQUIRED ASSETS; (VI) MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, MARKETABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE ACQUIRED ASSETS; (VII) ANY RIGHTS OF PURCHASERS UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE; (VIII) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN; (IX) ANY IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW; (X) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT; AND (XI) THE ENVIRONMENTAL OR OTHER CONDITION OF THE ACQUIRED ASSETS, INCLUDING ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF SUBSTANCES, WASTES, OR MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR OF HUMAN HEALTH, SAFETY, OR NATURAL RESOURCES. IT IS THE EXPRESS INTENTION OF ASSIGNEE AND ASSIGNORS THAT, EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS SET FORTH IN ARTICLE VII OF THE PURCHASE AGREEMENT AND THE SPECIAL WARRANTY CONTAINED IN THIS ASSIGNMENT, THE ACQUIRED ASSETS ARE BEING ACCEPTED BY ASSIGNEE, “AS IS” AND “WHERE IS” AND WITH ALL FAULTS AND DEFECTS (KNOWN OR UNKNOWN,

PATENT OR LATENT, DISCOVERABLE, OR UNDISCOVERABLE) AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR, AND ASSIGNEE HAS MADE ANY AND ALL SUCH INSPECTIONS AS ASSIGNEE DEEMS APPROPRIATE.

Section 4.3 Environmental Disclaimers. ASSIGNEE ACKNOWLEDGES THAT THE ACQUIRED ASSETS HAVE BEEN USED TO EXPLORE FOR, DEVELOP, AND PRODUCE HYDROCARBONS, AND THAT THERE (I) MAY HAVE BEEN RELEASES OF WASTES, CRUDE OIL, CONDENSATE, PRODUCED WATER, OR OTHER MATERIALS, INCLUDING HAZARDOUS MATERIALS, ABOVE, IN, ON, OR UNDER THE ACQUIRED ASSETS AND (II) MAY EXIST OTHER CONDITIONS THAT MAY RESULT IN LIABILITIES UNDER ENVIRONMENTAL LAWS. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, ASSIGNEE SHALL HAVE NO RIGHTS OR REMEDIES AGAINST ANY INDEMNIFIED SELLER PARTY WITH RESPECT TO ANY CONDITIONS, EVENTS, CIRCUMSTANCES, ACTS, OR OMISSIONS OF, OR RELATING TO, THE ENVIRONMENT, ANY ENVIRONMENTAL LAWS, ANY HAZARDOUS MATERIALS, ANY RELEASES, THE PROTECTION OF THE ENVIRONMENT OR HEALTH, OR ANY ASSUMED ENVIRONMENTAL LIABILITIES (COLLECTIVELY, "*ENVIRONMENTAL MATTERS*"). IN THIS REGARD AND NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PURCHASE AGREEMENT, THIS ASSIGNMENT OR ANY OTHER TRANSACTION DOCUMENT, IF AN ENVIRONMENTAL MATTER CONSTITUTES, OR RESULTS FROM ANY MATTER OR CIRCUMSTANCE WHICH CONSTITUTES, A BREACH OF ANY REPRESENTATION OR WARRANTY OF A ASSIGNOR SET FORTH IN THE PURCHASE AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, THEN ASSIGNEE SHALL BE PRECLUDED FROM ASSERTING SUCH MATTER AS THE BASIS OF THE BREACH OF ANY SUCH REPRESENTATION OR WARRANTY, AND SHALL HAVE NO RECOURSE AGAINST ANY INDEMNIFIED SELLER PARTY WITH RESPECT THERETO. ASSIGNEE (ON BEHALF OF ITSELF, THE OTHER INDEMNIFIED PURCHASER PARTIES, AND ITS AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS) HEREBY RELEASES, DISCHARGES, AND WAIVES ANY AND ALL CLAIMS AND LOSSES, AND ALL RIGHTS AND REMEDIES WHETHER ARISING AT LAW (WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE) OR PURSUANT TO ANY OTHER LEGAL THEORY, KNOWN OR UNKNOWN, AND WHETHER NOW EXISTING OR ARISING IN THE FUTURE, CONTINGENT, OR OTHERWISE, AGAINST ANY OF THE INDEMNIFIED SELLER PARTIES RELATING TO ANY ENVIRONMENTAL MATTERS, IN EACH CASE, EVEN IF SUCH CLAIMS OR LOSSES ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE (WHETHER GROSS, SOLE, JOINT OR CONCURRENT), STRICT LIABILITY, OR OTHER LEGAL FAULT OF ANY INDEMNIFIED SELLER PARTIES.

Section 4.4 NORM. Assignee acknowledges that the Acquired Assets have been used for exploration, development, and production of Hydrocarbons and that equipment and sites included in the Acquired Assets may contain NORM or other Hazardous Materials. NORM may affix or attach itself to the inside of wells, materials, and equipment as scale, or in other forms. The wells, materials, and equipment located on the Acquired Assets or included in the Acquired Assets may contain NORM and other wastes or Hazardous Materials. NORM containing material and/or other wastes or Hazardous Materials may have come in contact with various environmental media, including air, water, soils, or sediment. Special procedures may be required for the assessment, remediation, removal, transportation, or disposal of environmental media, wastes, asbestos, NORM, and other Hazardous Materials from the Acquired Assets.

Section 4.5 Conspicuous Disclaimers. ASSIGNORS AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE IV ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

ARTICLE V ASSUMED OBLIGATIONS

As of the Closing, but without limiting and in all cases subject to Assignee's rights to indemnity under the Purchase Agreement, and subject to the other limitations set forth in the Purchase Agreement, Assignee assumes and agrees to pay, perform and discharge all Assumed Liabilities pursuant to the Purchase Agreement.

ARTICLE VI MISCELLANEOUS

Section 6.1 Assignment Subject to Agreement. This Assignment is expressly made subject to the terms of the Purchase Agreement (which terms shall control in the event of a conflict herewith). If there is a conflict between the terms of this Assignment and the Purchase Agreement, the terms of the Purchase Agreement shall control. The Purchase Agreement contains certain representations, warranties, covenants, indemnities and agreements between the parties, some of which may survive the delivery of this Assignment, as more particularly provided for therein, but

Third Parties may conclusively rely on this Assignment to vest title to the Acquired Assets in Assignee.

Section 6.2 Separate Assignments. Where separate deeds and assignments of Acquired Assets have been or will be executed for filing with, and approval by, applicable Governmental Authorities, any such separate deeds and assignments (a) shall evidence this Assignment and assignment of the applicable Acquired Assets herein made and shall not constitute any duplication of this assignment of the same Acquired Assets, (b) are not intended to modify, and shall not modify, any of the terms, covenants and conditions or limitations on warranties set forth in this Assignment or the Purchase Agreement and are not intended to create, and shall not create, any representations, warranties or additional covenants of or by Assignors to Assignee, and (c) shall be deemed to contain all of the terms and provisions of this Assignment, as fully and to all intents and purposes as though the same were set forth at length in such separate assignments.

Section 6.3 Governing Law/Waiver of Jury Trial. This Assignment shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to agreements made and to be performed entirely within such State, without regard to any choice-of-law or conflicts-of-law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Texas; *provided, however*, with respect to conveyancing matters as to any Acquired Asset, the Laws of the state where such Acquired Asset is located shall govern and control such determination. **EACH PARTY HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY LAWSUIT, ACTION, OR PROCEEDING BETWEEN OR AMONG THE PARTIES ARISING OUT OF OR RELATING TO THIS ASSIGNMENT.**

Section 6.4 Successors and Assigns. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.


Section 6.5 Counterparts. This Assignment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute for all purposes one agreement. Any signature hereto delivered by a Party by facsimile transmission shall be deemed an original signature hereto. To facilitate the recording or filing of this Assignment, the counterpart to be recorded in a given county may contain only that portion of the exhibits that describes Acquired Assets located in that county.

Section 6.6 Further Cooperation. After the Closing, Assignors and Assignee shall execute and deliver, or shall cause to be executed and delivered from time to time, such further instruments of conveyance and transfer, and shall take such other actions as any Party may reasonably request, to transfer and deliver the Acquired Assets to Assignee, and to otherwise accomplish the orderly transfer of the Acquired Assets to Assignee in the manner contemplated by this Assignment.

EXECUTED as of the dates set forth below, but effective as of the Effective Time.

ASSIGNOR:


K3 ASSETCO, LLC

By: 
Name: Joshua L. Batchelor
Title: Manager

STATE OF TEXAS §
 §
COUNTY OF HARRIS §


The foregoing instrument was acknowledged before me on this 5th day of January, 2022 by Joshua L. Batchelor as Manager of K3 AssetCo, LLC, a Delaware limited liability company, on behalf of said limited liability company.




Notary Public - State of Texas

ASSIGNEE:

NEW HORIZON RESOURCES LLC

By: 
Name: Ryan Smith
Title: CEO

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me on this 5th day of January, 2022, by Ryan Smith as CEO of New Horizon Resources LLC, a North Dakota limited liability company, on behalf of said company.




Notary Public - State of Texas

Exhibit A-1
To Assignment, Bill of Sale and Conveyance By and Between
New Horizon Resources LLC and K3 AssetCo, LLC
Dated January 1, 2022

Oil & Gas Leases as recorded in the Official Public Records of Pratt County, Kansas

<u>Lessor</u>	<u>Lessee</u>	<u>Sec</u>	<u>Twn</u>	<u>Rng</u>	<u>Legal Description</u>	<u>Lease Date</u>	<u>Book</u>	<u>Page</u>
Gregory E. Meireis and Terry L. Meireis, Husband and Wife	Wildcat Resources, Inc.	16	26S	11W	NE4 16-26S-11W	2/7/2017	461	183
Carter Barker Equipment Company, Inc.	Wildcat Resources, Inc.	34	27S	12W	SW4 34-27S-12W	2/2/2017	460	286
Janice Chapman	Wildcat Resources, Inc.	3	28S	12W	NE4 less tracts 3-28S-12W	2/12/2019	483	126
The Peoples Bank, Trustee, William E. Moore, Jr. SEP IRA	Wildcat Resources, Inc.	3	28S	12W	NE4 less tracts 3-28S-12W	2/12/2019	483	129
Catherine Krehbiel, a Single Woman	Wildcat Resources, Inc.	3	28S	12W	33.38 A tract in NE4 3-28S-12W	2/12/2019	483	123
Jean Elaine Bauman and Michael Frank Bauman, Wife and Husband	Wildcat Resources, Inc.	3	26S	11W	Lot 1 3-26S-11W	9/1/2016	455	441
Donald Burnett, Trustee of both the Phyllis B. Burnett Family Trust created under the Phyllis B. Burnett Revocable Trust, Dated August 22, 1996 and the Donald Burnett Revocable Trust, Dated August 22, 1996	Wildcat Resources, Inc.	3	26S	11W	Lot 2 3-26S-11W	9/15/2016	455	422
Olin K. and Phyllis J. Bock Revocable Living Trust, Dated February 20, 1992	Wildcat Resources, Inc.	3	26S	11W	SE4 3-26S-11W	9/22/2016	455	436
Keith M. Drummond, Single	Wildcat Resources, Inc.	3	26S	11W	S2N2 3-26S-11W	8/25/2016	455	430
Bruce D. Drummond and Laurene Drummond, Husband and Wife	Wildcat Resources, Inc.	3	26S	11W	S2N2 3-26S-11W	8/25/2016	455	428
Jeffrey T. Drummond and Samatha L. Scott-Drummond, Husband and Wife	Wildcat Resources, Inc.	3	26S	11W	S2N2 3-26S-11W	8/26/2016	455	426
Michael S. Drummond, Single	Wildcat Resources, Inc.	3	26S	11W	S2N2 3-26S-11W	8/24/2016	455	424

Exhibit A-2
To Assignment, Bill of Sale and Conveyance By and Between
New Horizon Resources LLC and K3 AssetCo, LLC
Dated January 1, 2022

Wells to be conveyed located in Pratt County, Kansas:

API	Well Name
1515122350	BARKER 1-21
1515122428	Bock 3-1H
1515122425	Bock 3-SWD
1515122480	Carter - Barker 13-34
1515122422	Greengroup 14A-1H
1515122421	Greengroup 14A-SWD
1515122481	Meireis 8-16
	Meireis Lease

Exhibit A-3
To Assignment, Bill of Sale and Conveyance By and Between
New Horizon Resources LLC and K3 AssetCo, LLC
Dated January 1, 2022

Vehicles

Year	Make	Model	Body Style	Vehicle Identification Number	License Plate Number
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Not Applicable

EXHIBIT B

Excluded Assets

“Excluded Assets” means:

(a) corporate, financial, Income Tax, franchise tax, and legal data and records of each Assignor (other than title records pertaining to the Acquired Properties), and all other information, records, and data that relate to each Assignor’s business generally (whether or not relating to the Acquired Assets) or to businesses of an Assignor or any Affiliate of an Assignor other than the exploration and production of Hydrocarbons;

(b) all accounts receivable (other than accounts receivable for which an Assignor receives an upward adjustment to the Base Purchase Price pursuant to **Section 3.3(a)(iii)** of the Purchase Agreement) and other rights to payment, refund, or indemnity accruing or attributable to any period before the Effective Time or to any Excluded Assets, including the right to any payments under any Acquired Leases (including any reduction to, rebate of or earn-back with respect to bonus payments paid prior to the Effective Time) or otherwise with respect to any Royalties or the overpayment thereof, the full benefit of all Liens, security for such accounts, or rights to payment, and all rights, Claims, refunds, causes of action, or choses in action relating to the foregoing, except in each case with respect to Property and Production Taxes for which Assignee is responsible under **Section 13.1** of the Purchase Agreement;

(c) all production of Hydrocarbons from or attributable to the Acquired Properties with respect to any period before the Effective Time (other than Hydrocarbons in storage on the Effective Time and make-up Hydrocarbons with respect to imbalances described in **Section 2.2(e)** of the Purchase Agreement), including (i) all proceeds attributable to any such pre-Effective Time production, and (ii) all rights, Claims, refunds, causes of action, or choses in action relating to such pre-Effective Time production or proceeds (including settlement of take-or-pay disputes);

(d) except as contemplated in **Section 9.7** of the Purchase Agreement in respect of Casualty Losses, all insurance policies, and all Claims, payments, and proceeds under any such insurance policies, to the extent relating to any period prior to the Effective Time;

(e) except with respect to the Specified Assumed Hedging Obligations, all Hedging Instruments of Assignors and their Affiliates, if any, and all rights under any such Hedging Instruments;

(f) all deposits, surety bonds, letters of credit, and collateral pledged to secure any Liability or obligation of an Assignor in respect of the Acquired Assets;

(g) all rights or interest of any Assignor in any Intellectual Property;

(h) (i) a copy of all of K3’s Technical Data (ii) all of Woodford’s and Llano’s Technical Data, (iii) all interpretive data and analysis of Technical Data, and (iv) all studies related to reserve assessments and economic estimates and analyses;

(i) all data, software, and records to the extent disclosure or transfer is prohibited or subjected to payment of a fee, penalty, or other consideration by any license agreement or other agreement with a Person other than Affiliates of an Assignor, or by applicable Law, and for which no consent to transfer has been received or for which Assignee has not agreed in writing to pay such fee, penalty, or other consideration, as applicable;

(j) all information entitled to legal privilege, including attorney work product and attorney-client communications (excluding title opinions), and all information, records, and data relating to the Excluded Assets;

(k) records relating to either (i) the auction, marketing, acquisition, or disposition (or proposed acquisition or disposition) of the Acquired Assets, including the existence, identity, and inquiries and proposals received from or made to, and records of negotiation with, any Person, and any economic analyses associated therewith, and all internal communications with and documents shared by and with legal counsel of an Assignor in

connection with any of the foregoing, or (ii) any employees of an Assignor or any of their Affiliates;

(l) all proceeds from the settlement or disposition of any Claims, Proceedings, or disputes, all warranties and rights to indemnification, and all other rights, claims, refunds, causes of action, and choses in action, in each case, owed or paid to or in favor of an Assignor or any of its Affiliates, in each case, (i) under the Transaction Documents, (ii) arising out of or relating to any of the other Excluded Assets or Excluded Liabilities or to any matters for which an Assignor is obligated hereunder to indemnify any Person, or (iii) to the extent related to the period prior to the Effective Time;

(m) audit rights under operating agreements or other contracts or agreements to the extent attributable or relating to periods before the Effective Time, any other Excluded Assets or Excluded Liability, or any matters for which an Assignor has agreed to indemnify the Indemnified Purchaser Parties hereunder, and Assignee will cooperate with Assignors to facilitate Assignors' exercise of such rights;

(n) any Claims of Assignors or any Affiliate of Assignors for any refunds of or loss of carry forwards in respect of any Taxes for which an Assignor is liable for payment or required to indemnify Assignee hereunder, including with respect to (i) taxable periods or portions thereof ending on or prior to the Effective Time, (ii) Income Taxes or franchise Taxes relating to taxable periods or portions thereof ending on or prior to the Effective Time, or (iii) Taxes attributable to any Excluded Assets or Excluded Liability;

(o) all vehicles not listed on Exhibit A-4 of the Purchase Agreement and all office furniture, office supplies, personal computers and associated peripherals, licensed software, and all radio (excluding SCADA equipment), cell phones and telephone equipment;

(p) all overhead costs and expenses paid or payable by Third Party non-operators to an Assignor or any of their Affiliates pursuant to any applicable joint operating agreement with respect to periods of time prior to Closing;

(q) all electronic communications, including email;

(r) all assets and properties specifically listed in Exhibit B of the Purchase Agreement, regardless of whether such assets and properties may be used or held for use in connection with the Acquired Assets;

(s) copies of the Acquired Records; and

(t) all other assets and properties expressly excluded from the Contemplated Transactions pursuant to the terms of this Agreement.