

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 _____

Side Two

Must Be Filed For All Wells

KDOR Lease No.: _____

* Lease Name: _____ * Location: _____

Well No.	API No. (YR DRLD/PRE '67)	Footage from Section Line (i.e. FSL = Feet from South Line)		Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned)
		<i>Circle:</i> FSL/FNL	<i>Circle:</i> FEL/FWL		
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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 OIL AND GAS LEASE
AND BILL OF SALE**

KNOW ALL MEN BY THESE PRESENTS, that James Oliver, an individual, and A J Oil, Inc., a Kansas corporation, hereinafter called "Assignor," for valuable consideration, the receipt of which is hereby acknowledged, does grant, bargain, sell convey, transfer, assign and deliver unto Christopher D. Van Tyle and Paula D. Van Tyle, husband and wife, hereinafter called "Assignee" (whether one or more), its successors and assigns, all of Assignor's right, title and interest in and to the following oil and gas lease and personal property:

- (A) See Exhibit A,
and the leasehold estate and right, privileges and interests created by said Lease subject to all the terms and conditions of said oil and gas lease and extensions thereof;
AND
- (B) All personal property, to include fixtures and improvements, currently located on the oil and gas lease described above in paragraph (A), and used or useable in connection with oil and gas exploration and production activities. Those wells described on Exhibit B attached hereto.

The Lease and Personal Property are collectively referred to as the "Assigned Property."

ASSIGNMENT TERMS:

1. GENERAL WARRANTY. Assignor makes this Assignment with general warranty. Assignee accepts the Assigned Property with general warranty by Assignor that Assignor is the owner of the Assigned Property which consists of not less than 100% of the working interest and 87.5% net revenue interest in the Lease set forth on Exhibit A together with an undivided 100% interest in all personal property which is part of the Assigned Property; and has good and marketable title thereto free and clear of any encumbrances of any kind. This is an assignment of all of Assignor's right title and interest in said lease notwithstanding the NRI warranted by Assignor. Assignor further represents and warrants that no agreements or other documents have been executed which inhibit Assignor's ability to convey good and marketable title in and to the Assigned Property to Assignee at the time and under the terms described herein. The Lease is not subject to any joint operating agreements, development agreements or other contracts which will be binding upon Assignee or might otherwise effect Assignee's ability to develop, operate and produce from said Lease after the effective date of this Assignment.

2. INDEMNITY. Assignor agrees to indemnify Assignee against any liability, claim, demand, damage, or cost arising out of failure, prior to the date of this Assignment, to fulfill the express or



implied covenants created by the Lease and for any cause of action, claim, demand or liability which arose prior to the Assignor's execution of this Assignment. Assignee's indemnity rights include reasonable attorney fees and litigation costs necessary to defend any matter covered by Assignor's obligation to indemnify.

3. TRANSFER OF RIGHTS. To the extent transferable, Assignee is hereby granted the right of full substitution and subrogation in and to any and all rights and warranties which Assignor has or may have with respect to the Assigned Property conveyed herein of which Assignor has or may have against any and all preceding owners, vendors or warrantors. The Assigned Property shall include all right, title and interest which Assignor may have in and to the Lease or the real property covered thereby, including but not limited to, Lease hold interests, rights of assignment or reassignment, fee interests, royalties or overriding royalties, contractual rights, regulatory authorities and permits or licenses, easements and rights-of-way.

4. FURTHER ASSURANCES. The parties agree to execute, acknowledge and deliver such other and further instruments or documents, and to take such other and further actions as may be reasonably necessary to carry out the provisions of this Assignment.

5. EFFECTIVE DATE. This Conveyance shall be effective as of September 28, 2022, at 12:01 a.m., central standard time.

TO HAVE AND TO HOLD the above described property and easement with all and singular the rights, privileges, and appurtenances thereunto or in any wise belonging to the said Assignee herein, its successors, personal representatives, administrators, executors and assigns forever.


James Oliver

A J OIL, INC., a Kansas corporation

By: 
James Oliver

President

Assignor

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

This instrument was acknowledged before me on the 28TH day of September, 2022, by James Oliver, an individual.

Amy J. Dunn

Notary Public

Appointment/Commission Expires: *March 23, 2026*



STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

This instrument was acknowledged before me on the 28TH day of September, 2022, by James Oliver, President of A J Oil, Inc., a Kansas corporation.

Amy J. Dunn

Notary Public

Appointment/Commission Expires: *March 23, 2026*

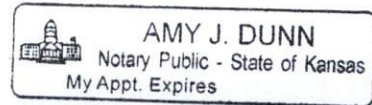


EXHIBIT A

The following described oil and gas Lease:

Date: July 1, 1983
Recorded: Book 301 at Page 460
Lessor: Billy K. Cheek and Mary N. Cheek, his wife
Lessee: LMN Oil Co., a partnership consisting of Fred T. Latto, Lynn E. Martin and Kenneth D. New, partners
Legal: East Half of the Northwest Quarter of Section 12, Township 19 South, Range 24 East of the Sixth P.M., Miami County, Kansas

Home | Severance Tax | KCC Forms | Licensing | Settings | Tools | Help



Server silver • Group ID 17372 • KCC License 33586 • User ID 22702 | Lesli Baker | Logout | AJ Oil

Well Inventory - Snapshot

[Back to Well Inventory Certification - Main Page](#)

Well Inventory According to the KCC

Excel

AJ Oil, Inc.
 March 15, 2018
 Number of wells: 13

Lease Name	Well No.	API Number	Year Drilled	Year Assumed Responsible	Depth	County	Sec	Twp	Rge	Dir	Q4	Q3	Q2	Q1	Feet N-S	Feet N-S	Feet E-W	Feet E-W	Well Type	Well Status	Gas Lease Codes	Oil Lease Codes	Latitude	Longitude	Datum
CHEEK VAN T...	15	15-121-28669-0000	2008		260	Miami	12	19	24	E	SE	SE	NE	NW	4230	S	2860	E	OIL	PR		117787			
CHEEK VAN T...	16	15-121-28670-0000	2008		297	Miami	12	19	24	E	SE	NE	NE	NW	4730	S	2860	E	OIL	PR		117787			
VAN TYLE	1-G	15-121-20179-0000			250	Miami	12	19	24	E	SW	NW	SE	NW	3575	S	3840	E	OIL	PR		117787			
VAN TYLE	10	15-121-20272-0000			250	Miami	12	19	24	E		S2	NE	NW	4230	S	3300	E	OIL	PR		117787			
VAN TYLE	11	15-121-19870-0001			250	Miami	12	19	24	E		SW	NE	NW	4040	S	3530	E	EOR	AI					
VAN TYLE	11	15-121-20273-0000			250	Miami	12	19	24	E		SE	NE	NW	4480	S	3145	E	OIL	PR		117787			
VAN TYLE	11-B	15-121-20311-0000			250	Miami	12	19	24	E			N2	NE	NW	4730	S	3300	E	OIL	PR		117787		
VAN TYLE	12	15-121-26610-0001			250	Miami	12	19	24	E	SE	SW	NE	NW	4062	S	3569	E	EOR	AI					
VAN TYLE	13	15-121-19871-0001	2011		270	Miami	12	19	24	E	SE	NW	NE	NW	4652	S	3457	E	EOR	AI					
VAN TYLE	14	15-121-20319-0000			250	Miami	12	19	24	E	NW	NW	SE	NW	3730	S	3840	E	OIL	PR		117787			
VAN TYLE	6	15-121-20215-0000			250	Miami	12	19	24	E	NW	NE	SE	NW	3885	S	3145	E	OIL	PR		117787			
VAN TYLE	8	15-121-20246-0001	2013		250	Miami	12	19	24	E	NW	NW	SE	NW	3885	S	3685	E	EOR	AI					
VAN TYLE	9	15-121-20271-0000			250	Miami	12	19	24	E	S2	SW	NE	NW	4040	S	3685	E	OIL	PR		117787			

For any filing made by the operator or on behalf of the operator, the operator on whose behalf the filing was made is responsible for compliance with all Commission rules and regulations relating to the filing and any permit issued by the Commission.

I certify this well inventory is correct to my knowledge:

 Operator's Signature

 Date

B
 EXHIBIT

JOINT OPERATING AGREEMENT

19th THIS OPERATING SERVICES AGREEMENT ("Agreement") is made and entered into this day of April, 2023 ("Effective Date") between Utah Oil, LLC, a Kansas limited liability company ("Operator") and Kingman Oil, LLC, a Kansas limited liability company ("Kingman"); and Christopher D. Van Tyle and Paula D. Van Tyle ("Van Tyle") (Kingman and Van Tyle shall collectively be referred to herein as "Owner"). Owner and Operator are also referred to as "party" and collectively as the "parties."

WHEREAS, Owner is the owner of that certain oil and gas lease commonly known as the Cheek Lease, located in Miami County, Kansas, (the "Lease" or the "Cheek 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 Cheek Lease as further described herein;

WHEREAS, the Parties designated collectively as "Owner" herein desire to memorialize certain agreements by and between one another with respect to their joint ownership of the Cheek Lease and all equipment located thereon; 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.

In its performance of services hereunder for Owner, Operator shall be an independent contractor not subject to the control or direction of the Owner except as expressly set forth in this Agreement. Operator shall not be deemed, or hold itself out as, the agent of the Owner with authority to bind them to any obligation or liability assumed or incurred by Operator as to any third party.

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. Owners agree to indemnify, hold harmless and exonerate Operator from any and all claims by any other Owners of the Lease, any third party, or any

governmental or state agency or administrative body, based upon the Operation of the Lease, which do not arise out of gross negligence or willful misconduct on the part of Operator.

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 and liabilities accrued and incurred in the operation of the Lease shall be borne exclusively 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 on the Cheek 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 for by Owner in addition to the Operator Fee.

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 use Operator's equipment and Operator's labor that it has available for use on the Cheek Lease to operate the Cheek Lease and perform any repairs, improvements or additional development thereon which Operator deems necessary or advisable and which Operator has the equipment and labor necessary to perform. For services beyond, or in addition to, Operating Services, or for equipment and materials required to be purchased, rented or hired from third-parties, Operator may elect to 1) obtain necessary labor, equipment and materials and be reimbursed for all equipment and materials paid for by Operator at the actual price paid by Operator 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. In addition, Operator may make capital improvements upon the Lease which will be subject to reimbursement in addition to the Operator Fee without requesting authorization from Owner. For the avoidance of doubt the parties summarize their agreement as follows:

Operator shall utilize all equipment, labor, tools and expertise which Operator owns to operate the Cheek Lease and may perform improvements or drill additional wells if it so elects; and the Operator Fee that shall be solely paid by Kingman Oil, LLC shall be Operator's sole compensation for use of its equipment, labor and tools. However, the Owners shall each pay for an equal 50% of all additional out of pocket costs, expenses, materials and services or equipment provided by any third party.

6. **Operator Fee.** The Operator shall receive, in addition to reimbursement for all costs incurred, a fee to be paid exclusively by Kingman of such an amount and nature as agreed upon by

Kingman and Operator from time to time (the "Operator Fee"). In exchange for the Operator Fee, paid exclusively by Kingman, Operator shall oversee and operate the lease, and perform any improvements, repairs or additional development on the Lease that Operator deems necessary or appropriate in its sole and absolute discretion using the labor and equipment that Operator owns. Any services or equipment which needs to be performed by third parties or rented equipment will be treated as an expense that will be divided between the Owners equally. The Operator Fee shall only cover the use of Operator's equipment and Operator's labor that it has available for use on the Cheek Lease. 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.

It is further understood and agreed that Kingman shall plug the breakout well which is presently located on the Cheek Lease and perform the work necessary to resume production from the Cheek Lease at its sole cost and expense.

7. **Reimbursement.** Operator will invoice Owner at the end of every month for any additional charges and expenses incurred in conjunction with this Agreement during said month. 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.

8. **Term.** This Agreement shall remain in full force and effect for so long as Kingman Oil, LLC remains a working interest owner of the Cheek Lease.

9. **Insurance.** Owners shall carry all insurance necessary, in its business judgment, to protect itself from any loss or liability relating to or resulting from 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 shall not be liable for any spills or damages caused by Operator while operating the wells located upon the Lease unless Operator's actions have been found to be gross negligence or willful misconduct. Owners shall be responsible for plugging all abandoned or damaged wells in accordance with the applicable rules and regulations. Owners shall 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 directed to and paid directly by Owners.

10. **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.

11. **Resignation or Removal of Operator.** Operator may terminate its obligation to serve as operator pursuant to this agreement at any time by delivering written notice to Owner not less than thirty (30) days prior to the desired termination date. Operator may be removed by Owner only if Operator is determined to have conducted its duties hereunder with gross negligence or willful misconduct. Upon removal or resignation of Operator hereunder Operator shall be relieved of all duties and obligations arising subsequent to the date of termination. Upon the removal or resignation of Operator, 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.

12. **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.

13. **Liability of Operator.** It is expressly understood and agreed that Operator shall not be liable to Owners 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. Owners agree 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.

14. **Mining Partnership.** The liability of the parties shall be several, not joint or collective. Each Owner shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs of developing and operating the Lease. It is not the intention of the parties to create, nor shall this Agreement be construed as creating a partnership or association or to render them liable as partners or joint venturers. Owners agree that Operator is not assuming a fiduciary relationship to Owners in performing the terms of this agreement, nor shall Operator owe any duty to Owners greater than the duty of good faith and fair dealing. In their relations with each other under this Agreement, the Owners shall not be considered fiduciaries or to have established a confidential relationship but rather shall be free to act on an arm's-length basis in accordance with their own respective self-interest, subject, however, to the obligation of the Owners to act in good faith in their dealings with each other with respect to activities hereunder

15. **Preferential Right to Purchase.** Should any Owner desire to transfer or release its undivided interest in and to the Check Lease and the equipment and wells located therein, such Owner's entire undivided interest in such property (the "Undivided Interest") must first be offered for sale or transfer in accordance with the provisions of this Article to all other Owners. The Owner proposing the transfer (hereinafter "Selling Owner") must first deliver a bona fide written offer (the "Offer") for the sale of such Owner's Undivided Interest, which contains all of the terms and conditions relating to the offer. The Offer shall be signed by the prospective Selling Owner and shall state the price said Selling Owner is willing to accept for the transfer of their Undivided Interest. The non-transferring Owners shall have thirty (30) days after the Offer is given in which to exercise an option to acquire all, but not less than all, of the Undivided Interest of the Selling Owner. This option shall be exercised by delivering a check in the amount of the price (if any) to be paid for the Undivided Interest pursuant to the Offer, to the Selling Owner or to a third party escrow agent, which may be any insured bank or law office having a place of business in the State of Kansas. A written

notice stating that said non transferring Owners are exercising its rights hereunder shall accompany the check. Forthwith upon receipt of such notice, the Selling Owner shall execute assignments of its Undivided Interest and deliver them to the Owner or Owners exercising his or her right to purchase said interests, free and clear of all liens, claims, and encumbrances. Upon delivery of the assignment, the escrow agent shall pay the purchase price to the Selling Owner.

In the event the non-transferring Owners fail to exercise their option within said thirty day period, then on the thirty first day, the Selling Owner shall have the right to sell its interest in the Cheek Lease and all equipment located thereon to any third party for any amount not less than the amount set forth in the Offer.

It is expressly understood and agreed that all of the equipment situated on Cheek Lease was initially purchased by Van Tyle for \$16,000.00. Such equipment shall be used in the operation of the Cheek Lease and Owners shall jointly share in the maintenance and repair of said equipment. However, if the Cheek Lease is hereinafter sold to any third party or purchased from Van Tyle by Kingman, then Kingman shall pay Van Tyle \$8,000.00 in addition to the purchase price which would have otherwise been owed to Van Tyle representing the one half interest in the said equipment which Kingman was not required to purchase initially.

16. **Settlement of Claims.** Operator shall have the right to compromise, settle and adjust any claim for damages which may be made by any landowner or adjoining landowner, which damage may result from the operation of the wells located upon the Lease. Owners shall reimburse Operator for any damages advanced by Operator.

17. **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.

18. **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.

19. **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.

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

21. **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 Miami 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.

22. **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.

23. **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 constructed 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.

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:

UTAH OIL, LLC.

By: Brad Leach
Brad Leach Member

By: Lawrence D. Spratt
Lawrence D. Spratt Member

Owner:

KINGMAN OIL, LLC

By: Brad Leach
Brad Leach Member

By: Lawrence D. Spratt
Lawrence D. Spratt Member

CHRISTOPHER D. VAN TYLE

By: Christopher D. Van Tyle
Christopher D. Van Tyle

PAULA D. VAN TYLE

By: Paula D. Van Tyle
Paula D. Van Tyle

EXHIBIT A
(Description of oil and gas Lease)

CHEEK LEASE

Lessor: Christopher D. Van Tyle and Paula D. Van Tyle, husband and wife
Lessee: Christopher D. Van Tyle and Paula D. Van Tyle and Kingman Oil, LLC
Date: April ____, 2023
Recorded: Book ____, Page ____
Description: The East Half of the Northwest Quarter of Section 12, Township 19, Range 24,
Miami County, Kansas

OIL AND GAS LEASE

AGREEMENT, made and entered into this _____ day of April, 2023, by and between Christopher D. Van Tyle and Paula D. Van Tyle, Parties of the first part, hereinafter called Lessor (whether one or more) and Christopher D. Van Tyle and Paula D. Van Tyle (as to an undivided 50% of the working interest collectively) and Kingman Oil, LLC, a Kansas limited liability company, (as to an undivided 50% of the working interest), collectively Party of the second part, hereinafter called Lessee.

WITNESSETH: That the said Lessor, for and in consideration of One Dollar (\$1.00) and other valuable consideration, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let exclusively unto said Lessee, for the sole and only purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Miami, State of Kansas, described as follows, to-wit:

The East Half of the Northwest Quarter of Section 12, Township 19, Range 24,
Miami County, Kansas

It is agreed that this Lease shall remain in full force for a term One (1) year from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee. This is a "paid-up" primary term Lease. Lessee shall not be obligated, except as expressly provided herein, to make rental payments or to commence or continue any operations during the primary term. Upon expiration of the primary term, this Lease shall terminate unless oil or gas or any of the products covered by this Lease is being produced or operations are being conducted as provided herein. Lessee, its successors and assigns, shall have the exclusive option to extend the primary term of this lease for one additional one (1) year period by delivering written notice to Lessor of its election to exercise such option on or before the expiration of the primary term.

In consideration of the premises, the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect his wells, the one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas from each well where gas only is found the equal one-eighth (1/8) of the gross proceeds at the prevailing market rate (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for all gas used off the premises, said payments to be made monthly.

3rd. To pay Lessor for gas produced from any oil well and used off the premises, or for the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the market value at the mouth of the well (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), payable monthly at the prevailing market price.

If said Lessor owns a less interest in the above described land than the entire and undivided fee simple

estate therein, then the royalties and rentals herein provided shall be paid the Lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessor may have free gas from any wells that are capable of producing gas for non-commercial purposes for any structure or structures which are owned and operated by Lessor on the leased land, but subject to the following conditions:

- A) all connections to the well shall be made and all pipes shall be laid at Lessors sole cost and expense.
- B) Lessor's use of said gas will be permitted only if there is sufficient quantities over and above any quantities needed for Lessee's operations; and,
- C) Lessee has no obligation to provide free gas or to take necessary steps to make it available to Lessor.
- D) Lessor understands and agrees that Lessee makes no representations or warranties of any kind with regard to the natural gas produced from any well located upon the leased premises or the safety or suitability of its use by Lessor. Lessor shall hold lessee harmless for any damages, injury or death which may occur as a result of lessor's use of any gas produced from any well located upon the leased premises. It shall be Lessor's responsibility to take any necessary steps to treat or process said gas in order to make it suitable and safe for Lessor's intended use thereof and it shall also be Lessors responsibility to test and monitor said gas in order to ensure its continued suitability and safety for Lessor's intended use thereof.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon, except water from wells of Lessor.

Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises after the execution of this Lease, including the right to draw and remove casing. Lessee shall not have the right to remove any machinery or fixtures which were located on the above described real property at the time this Lease was executed.

If the Lessee shall commence to drill a well within the term of this Lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this Lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this Lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them on an acreage basis, such default shall not operate to defeat or affect this Lease in so far as it covers a part or parts of said lands upon which the said Lessee or any assignee thereof shall make due payments of said rentals. If the leased premises are now or hereafter owned in severality or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. There shall be no obligation on the part of the Lessee to offset wells on separate tracts into which the land covered by

this Lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

All express or implied covenants of this Lease shall be subject to all federal and state laws, executive orders, rules or regulations, and this Lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation.

Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may at Lessee's election reimburse itself by applying to the discharge of any such mortgage, tax or other lien any royalty or rentals accruing hereunder and may reimburse itself from any rental or royalties accruing hereunder.

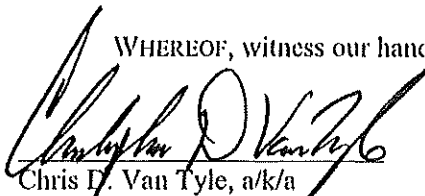
This lease shall be effective as to each Lessor on execution thereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

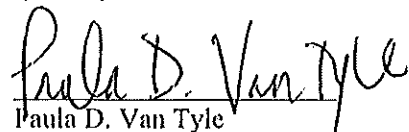
Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises or any strata covered by this lease by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

If Lessee fails to comply with any term or condition of this lease, or fails to fulfill any rights, duties or obligations hereunder, Lessor shall notify the Lessee in writing of the alleged nature of the default and the Lessee shall have thirty (30) days to cure said default. If Lessee cures said default within the time period specified, the Lessee shall not be deemed in default hereunder. If this lease is continued in force after the expiration of the primary term here of by production, then in that event this lease shall not terminate or expire pursuant to any clause of special limitation or for failure to produce in paying quantities unless and until Lessor delivers written notice of such termination or expiration, and Lessee fails during a period of thirty (30) days following the receipt of such notice to remove the condition which caused said termination or expiration, such as reinstatement of production in paying quantities.

It is expressly understood and agreed that this lease supersedes and replaces in its entirety that certain oil and gas lease dated July 1, 1983 from Billy K. Cheek and Marilyn N. Cheek, as Lessors in favor of LMN Oil Co., et al. Recorded in Book 301 at Page 460, which oil and gas lease is hereby released and of no further force or effect.

Christopher D. Van Tyle and Paula D. Van Tyle and Kingman Oil, LLC have granted to one another certain rights of first refusal to purchase one another's working interest in and under this lease should either party desire to sell such interest to any third party. Such rights are created in that certain unrecorded operating agreement by and between said parties. The parties simply wish to create constructive notice of one another's preferential rights to purchase set forth in said operation agreement by and through this paragraph. The parties stipulate and agree that said rights are not binding upon the parties successor and assigns, so long as the said rights of first refusal are complied with prior to the transfer of said interest. It is also expressly understood and agreed that Lessor does not intend for this leasehold interest to merge with its undivided 50% of the working interest under this lease.

WHEREOF, witness our hands as of the day and year first above written.

Chris D. Van Tyle, a/k/a
Christopher D. Van Tyle


Paula D. Van Tyle

STATE OF KANSAS
COUNTY OF Johnson, ss:

This instrument was acknowledged before me on April 19th, 2023, by: Christopher D. Van Tyle and Paula D. Van Tyle, husband and wife.


Notary Public

