

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
April 2019
Form must be Typed
Form must be Signed
All blanks must be Filled

**REQUEST FOR CHANGE OF OPERATOR
TRANSFER OF INJECTION OR SURFACE PIT PERMIT**

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Check applicable boxes:

- Oil Lease: No. of Oil Wells _____ **
- Gas Lease: No. of Gas Wells _____ **
- Gas Gathering System: _____
- Saltwater Disposal Well - Permit No.: _____
Spot Location: _____ feet from N / S Line
_____ feet from E / W Line
- Enhanced Recovery Project Permit No.: _____
Entire Project: Yes No
Number of Injection Wells _____ **

Field Name: _____

**** Side Two Must Be Completed.**

Effective Date of Transfer: _____

KS Dept of Revenue Lease No.: _____

Lease Name: _____

____ - ____ - ____ - ____ Sec. ____ Twp. ____ R. E W

Legal Description of Lease: _____

County: _____

Production Zone(s): _____

Injection Zone(s): _____

Surface Pit Permit No.: _____
(API No. if Drill Pit, WO or Haul)

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Type of Pit: Emergency Burn Settling Haul-Off Workover Drilling

Past Operator's License No. _____

Contact Person: _____

Past Operator's Name & Address: _____

Phone: _____

Title: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

New Operator's Email: _____

Date: _____

Title: _____

Signature: _____

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by

Permit No.: _____ . Recommended action: _____

Date: _____

Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit

permitted by No.: _____ .

Date: _____

Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____

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	
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ FEL/FWL	_____
_____	_____	_____ FSL/FNL	_____ 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: _____

PURCHASE AND SALE OF OIL AND GAS LEASEHOLD INTERESTS

THIS PURCHASE AND SALE OF OIL AND GAS LEASEHOLD INTERESTS (“Agreement”) is made and entered into this 30th day of May, 2023, by and between **Liberty Operations & Completions, Inc.**, a Kansas Corporation (“Liberty”) with principal offices located in Plainville, Kansas, and the Working Interest Owners, by and through Roger Comeau, duly authorized attorney in fact, collectively referred to with Liberty as “Sellers”, and **Bach Oil Production, Inc.**, a Kansas Corporation with principal offices in Phillipsburg, Kansas, hereinafter referred to as “Buyer”.

WHEREAS, Sellers by and through Liberty as their agent desire to sell to Buyer and Buyer desires to purchase from Sellers, on the terms and subject to the conditions set forth in this Agreement, Sellers’ working interests in the (1) oil and gas leases located in Rooks and Ellis Counties, Kansas which are described in Exhibit “A” (“Leases”); (2) saltwater disposal wells located in Rooks and Ellis Counties, Kansas which are described on Exhibit “B” (“SWDs”); and (3) all personal property and equipment used to operate the Leases and SWDs which are currently located on the leasehold properties in Rooks and Ellis Counties, Kansas, described in Exhibit “C” (“Equipment”) including but not limited to wellheads, tanks, pumps, compressors, separators, heater treaters, heating elements, valves, fittings, equipment, machinery, fixtures, flowlines, pipelines, and tubular goods. The Equipment shall also include all well and log files, seismic studies, and other data and records related to the drilling, operation, and development of the Leases maintained by Liberty. All of the Leases, SWDs, and equipment files shall be referred to as “the Properties”.

NOW, THEREFORE, in consideration of the premises and mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sellers and Buyer agree as follows:

1. **Purchase Price for the Leases.** The purchase price for the leasehold interests will be determined after the owners of the leasehold interests, as described on Exhibit “D”, have been given the opportunity to elect to sell, as further described in Paragraph 5. It is further agreed that said purchase price shall not exceed \$1,057,365.94, being the total purchase price in the event all owners have agreed to sell under the terms of this agreement. The allocation of the maximum purchase price is set forth on Exhibit “E” of this agreement.

2. **Purchase Payment.** In consideration for the purchase of the working interests Buyer shall pay to each Seller electing to sell such Seller’s allocated share of the purchase price as stated on Exhibit “E” to the Escrow Agent at closing.

3. **Escrow Agent.** Sellers and Buyer agree to execute a mutually acceptable agreement appointing Jeter Turner Sook Baxter, LLP, as Escrow Agent to receive and hold all funds and documents necessary and required to close this sale under the terms of this Agreement. The Escrow Agent shall act as the closing agent for the parties as provided in Paragraph #4 herein.

4. **Closing.** The closing of the transaction contemplated by this Agreement (“the Closing”) shall occur on or before August 1, 2023 (“Closing Date”), at such place as is mutually agreeable to Buyer and Sellers, or such other date, time, and place as Sellers and Buyer may agree in writing. At the Closing, the following shall occur:

- a. Sellers shall deliver to Buyer assignments of the leasehold interests of those Sellers electing to sell their interests in and to the Leases, SWDs and Equipment, all of which assignments and bills of sale shall warrant Sellers’ interests assigned/conveyed to be free and clear of all mortgages, liens and encumbrances of every nature arising by, through or under Sellers, but not otherwise.
- b. Liberty, the current operator of record for all wells located on the Leases, shall deliver to Buyer all documents required by the Kansas Corporation Commission necessary to transfer Liberty’s right to operate the Leases and SWDs to Buyer.
- c. Sellers shall provide executed agency and/or power of attorney documents executed by those non-operating Working Interest Owners who are Sellers herein sufficient to show that Liberty or Comeau has the power and authority to execute assignments, bills of sale, and other documents necessary to consummate this sale and to vest merchantable title to Buyer.
- d. Subject to elections under Paragraph 5, Buyer shall tender the Purchase Price in the amount allocated to each working interest Seller as set forth on Exhibit “E” attached hereto, which payment shall be made to the Escrow Agent for distribution to the Sellers.
- e. The Escrow Agent shall prepare for Buyer and Sellers’ approval, the Closing Statement and/or any such other instruments as are reasonably necessary to effectuate the conveyance of the Properties to Buyer.
- f. Escrow Agent shall deliver the net sale proceeds to the Sellers and the assignments, bills of sale, and other documents necessary to vest merchantable title to Buyer.

5. **Election to Sell.** Upon execution of this agreement, Liberty agrees to diligently inform all owners of leasehold interest of the terms of this agreement and their right to sell for their proportionate share of the purchase price, as shown on Exhibit “E”. Said owners shall have thirty (30) days from the execution of this agreement to indicate, in writing, whether they intend to sell or retain their interest in the Leases. It is agreed and understood that the owners may not elect to sell interests in specific leases, while retaining other leases. If an owner elects to sell, it is understood that all interest in all leases must be sold as part of this agreement. However, it is further agreed and understood that the requirement to sell all interests does not apply to Roger L. Comeau, Trevo, LLC, Liberty II, Inc., Liberty Enterprises, Inc., and Liberty Operations & Completions are given the option to retain, collectively, up to 50% leasehold interest in the Charolais, Cora, Howat, Thompson, and Westhusin B leases.

6. ***Sellers's Representations and Warranties.*** Sellers represent and warrant to Buyer that, as of Closing, the following statements are accurate:

- a. Sellers are the collective owners of net revenue interests attributable to each Lease as exhibited on Exhibit "A".
- b. Leasehold Sellers are the owners of the undivided interest in the SWDs and Equipment as set forth on Exhibit "B" attached hereto.
- c. Each Seller, if not an individual, is a duly organized and validly existing company, in good standing, under the state of its organization and has the necessary power and authority to own the Leases and SWDs and to carry on business as now conducted and to enter into and to carry out the terms of this Agreement and further ratify and confirm that Liberty or Comeau, as the case may be, is the duly appointed and acting agent and/or attorney in fact for purposes of carrying out the terms of this transaction.
- d. The Properties will be transferred and assigned to Buyer, free and clear of all liens, mortgages, security interests or other such encumbrances arising by, through or under Sellers. The parties understand that Bennington State Bank, Bennington, Kansas currently has a Mortgage and Security Interest upon the leasehold interest owned by Liberty and its related entities and that such Mortgage will be satisfied and released and all security interests will be terminated as part of the closing hereof using a portion of the Purchase Price. Sellers have not granted any other mortgages encumbering the Properties except the referred Mortgage to Bennington State Bank.
- e. There are no third-party preferential rights pertaining to the assignment or transfer of any of the Properties from Sellers to Buyer.
- f. Subject to approval of the US Bankruptcy Court, Topeka, Kansas, which may occur after the filing of a motion and twenty-one (21) day notice to interested parties. Liberty represents that the filing of said motion shall occur as soon as practical following the execution of this Agreement.
- g. To the best of Sellers' knowledge, there are no environmental hazards caused by Sellers' operation of oil and/or gas wells existing on the Leases.
- h. There are no outstanding bills for labor, services, or materials provided on the Properties, nor are there any liens for labor, services, or materials that have attached to the Properties.
- i. There are no outstanding liens or warrants on the Properties for unpaid taxes/fees/assessments due to the State of Kansas, the United States of America, or any other governmental agency, subdivision or authority; and that there are no outstanding balances due for said taxes/fees/assessments that have not yet become a lien or warrant on the Properties.

- j. That Sellers are not now, or threatened to be, a party to any lawsuit or action by any governmental agency, subdivision or authority of the State of Kansas or United States of America.
- k. Prior to closing, Sellers agree not to sell or remove oil from the tanks except for sale to regular oil purchasers in the course of business.

7. ***Buyer' Representations and Warranties.*** Buyer represents and warrants to Sellers that, as of closing, the following statements are accurate:

- a. Buyer is a Kansas Corporation in good standing with principal offices in Alma, Kansas and is legally entitled to enter into and carry the terms of this Agreement and the transactions contemplated by this Agreement and further that Jason Bach, President of the Corporation is authorized and empowered to execute all documents for purposes of consummating this transaction.
- b. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary approval action by or on behalf of Buyer.
- c. Buyer has not incurred any liability, contingent or otherwise, for broker's or finder's fees relating to the transaction contemplated in this Agreement for which Sellers shall have any responsibility whatsoever.
- d. Buyer has arranged for financing through Equity Bank, Norton, Kansas to have sufficient financing to consummate this transaction as contemplated herein.
- e. Buyer has conducted its own independent investigation, review and analysis of the Properties, and acknowledges that it has been provided adequate access to the Leases and SWDs, assets, premises, and other documents and date of Seller for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller solely as set forth in this Agreement; and (b) neither Seller nor any other person has made any representation or warranty on behalf of Seller, regarding the properties being sold, except as expressly set forth in this Agreement.

8. ***Title.*** Sellers desire to retain the services of Jeter Turner Sook Baxter, LLP, Hays, Kansas to provide Sellers with a transaction title opinion to assure itself that the Working Interest Owners which Liberty represents have good and merchantable title in and to the Properties being sold herein. The costs for such title research and opinions is estimated to be \$15,000.00, which amount shall be advanced by Buyer and to be paid to Jeter Turner Sook Baxter, LLP Trust Account to be applied toward title research and opinions upon completion of such work. In the event Buyer secures a separate acquisition title opinion, it shall due so at its sole cost and expense. In the event title opinion of Jeter Turner Sook Baxter, LLP in and to the Leases and SWDs discloses defects in title, such that the same is not merchantable, then Buyer shall promptly notify Sellers of all title

defects rendering Sellers' title unmarketable. After such notice is given, Sellers shall have not less than thirty (30) days thereafter in which to elect to remedy or cure such title defects. Buyer shall be responsible for all costs associated with such title examination and Sellers shall pay all costs to remedy or cure any title defects which Sellers elect to remedy or cure. Sellers consent and agree that the acquisition opinions of Jeter Turner Sook Baxter, LLP may be submitted to and relied upon by Equity Bank, Norton, Kansas for purposes of securing a first oil and gas mortgage against the leasehold interests.

Buyer may in its sole discretion elect not to require title opinions on certain leases described herein, in which case, Buyer shall acquire such leases subject to any title defects or burdens. A list of such excluded leases shall be provided to Sellers in writing upon execution of this Agreement.

9. ***Buyer's Rescission.*** Buyer may rescind this Agreement, at its sole discretion prior to Closing, for any of the following reasons:

- a. Sellers failing to remedy or cure a title defect rendering Sellers' title in and to the Leases unmarketable within 30 days of Buyer providing notice to Sellers of such defect or Sellers have notified that Sellers have elected not to cure such title defects.
- b. Sellers' failure to provide Buyer with the net revenue interests identified in Exhibit "A" attributable to the Leases being sold herein.
- c. Sellers' inability to deliver not less than 75% of the leasehold interests in the Leases, except for Charolais, Cora, Howat, Thompson, and Westhusin B leases as described on Exhibit "B".
- d. Sellers' inability to secure consent to sell by Bennington State Bank and/or the US Bankruptcy Court, Topeka, Kansas and release of its mortgage covering the properties.

Rescission shall be made by Buyer to Sellers in writing and shall disclose the reason for the rescission. If rescission is made for any of these reasons, Buyer shall be entitled to return of the unearned portion of the title opinion deposit.

10. ***Sellers' Rescission and Breach.*** Sellers may rescind this Agreement, at their sole discretion, for the following reason:

- a. The cost of remedying or curing title defects identified by Buyer in Paragraph 6 becomes prohibitive. For purposes of this clause, Sellers and Buyer agree that Sellers may not invoke this clause if the expected costs for remedying or curing title defects do not exceed \$25,000.00.

Rescission shall be made by Sellers to Buyer in writing and shall disclose the reason for the rescission. Any other attempt by Sellers to rescind this Agreement or a failure by Sellers to close the transaction contemplated by this Agreement, except to the extent rescission is explicitly permitted by this paragraph 8, will be deemed by Buyer to be a breach of Sellers' obligations under this Agreement. In the event of a breach by Sellers, then Buyer may elect to: (1) Cancel this

Agreement, Sellers shall reimburse Buyer for reasonable expenses, including but not limited to the costs of title work and attorneys' fees, that Buyer has suffered in preparing to close this Agreement; (2) seek specific enforcement of this Agreement; or (3) pursue any such other legal or equitable remedies as may be available to Buyer under applicable law.

11. **Operations.** Sellers agree that, prior to the Closing Date, Sellers shall conduct only such operations as are necessary to maintain production of oil and/or gas at their current levels and that such operations shall be conducted in a good and workmanlike manner. Sellers agrees to execute any documents, and will cooperate with any reasonable requests, necessary to properly transfer operations to Buyer.

12. **Revenue and Expenses Associated with Leasehold Rights.** The Parties agree that revenue and expenses associated with the Leasehold Rights shall be divided as follows:

- a. Sellers shall be entitled to all revenue generated, and shall be responsible for all expenses incurred, prior to the Closing Date.
- b. Buyer shall be entitled to all revenue generated, and shall be responsible for all expenses incurred, on or after the Closing Date.
- c. Liberty agrees that as near to the Closing Date as possible, it will prepare a summary of the expenses which have been incurred but remain unpaid. The Escrow Agent shall make the appropriate adjustment in the Closing Statement based on such summary.
- d. The parties agree to jointly gauge produced oil in the tanks prior to closing. Such produced oil shall be the sole property of Sellers. Buyer shall sell such produced oil based on the average price of oil for the 45 day period prior to closing at the Kansas common price for Coffeyville Resources. Buyer shall, within a reasonable time after Closing, determine the revenue associated with such production based on such price and make payment of such amount to Sellers.

13. **Mutual Indemnification, including Indemnification for Negligence.** Sellers agree to indemnify and hold Buyer harmless from any and all costs, attorney fees, liabilities, expenses, suits, judgments, payment of royalty, damages to persons or property or compliance with State and Federal laws and regulations arising from its ownership and operation of the Properties with respect to Sellers' interest in the Properties incurred prior to the Closing Date as well as any breach of the representations or warranties of Sellers to Buyer set forth in this Agreement. Sellers agree that this indemnity will cover any and all non-negligent and NEGLIGENT acts, errors, mistakes and omission caused by Sellers or Sellers' employees, agents, or subcontractors, during Sellers' ownership of the Properties with respect to Sellers' interest in the Properties. **Sellers agree that Sellers have read and reviewed this provision and that it is the result of fair and honest negotiations between Sellers and Buyer.**

After Closing, Buyer assumes all risk, liability, obligation in connection with its ownership and operation of the Properties after Closing and Buyer shall defend, indemnify, and save and hold harmless Sellers, its subsidiaries and affiliates and their respective officers, directors, shareholders, employees and agents, from and against all costs, attorney fees, liabilities, expenses, suits, judgments, payment of royalty, damages to persons or property or compliance with State and Federal laws and regulations arising from its ownership and operation of the Properties and any breach by Buyer of any representation, warranty, covenant or agreement hereunder.

Buyer agrees that this indemnity will cover any and all non-negligent and NEGLIGENT acts, errors, mistakes and omission caused by Buyer or Buyer's employees, agents, or subcontractors, assigns or successors in interest arising from Buyer's ownership and operation of the Properties after closing. **Buyer agrees that it has read and reviewed this provision and that it is the result of fair and honest negotiations between Sellers and Buyer.**

14. **Taxes.** Sellers and Buyer agree that all production and other ad valorem taxes attributable to the Properties for the year 2022 and prior years shall be the responsibility of Sellers. The taxes attributable to the Properties for 2023 shall be pro-rated to date of closing based on the actual 2022 taxes and Buyer shall pay all taxes attributable to the Properties for 2024 and all subsequent years.

15. **Contingencies.** The parties understand and agree that the sale of the Properties is subject to the following contingencies:

Sellers Contingency

- a. Subject to the approval of the Bennington State Bank, Bennington, Kansas, holder of a first mortgage against the aforementioned premises.
- b. Approval of the US Bankruptcy Court, Topeka, Kansas.
- c. Approval of not less than 75% of the leasehold interests in the Leases, except for Charolais, Cora, Howat, Thompson, and Westhusin B leases as described on Exhibit "B".

Buyer's Contingency

- a. Subject to approval of merchantable title.
- b. Subject of approval by parties owning not less than 75% of the non-operating owners to sell their interests, except for interests in the Charolais, Cora, Howat, Thompson, and Westhusin B leases as described on Exhibit "B".

16. **Notice.** All notices required to be given pursuant to this agreement shall be given to the parties at the following addresses:

Sellers: **Liberty Operations & Completions, Inc.**
C/O: Roger Comeau
100 SW 9th Street
Plainville, KS 67663

Buyer: **Bach Oil Productions, Inc.**
C/O: Jason Bach
615 Main Street
Alma, NE 68920

17. **Governing Law.** This Agreement shall be governed and interpreted under the laws of the State of Kansas. The mandatory and exclusive venue for any judicial proceeding permitted in this Agreement is the state courts of competent jurisdiction in Rooks County, Kansas. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction.

18. **Entire Agreement.** This Agreement constitutes the entire agreement between Buyer and Sellers with respect to the transactions contemplated herein and supersedes all prior oral or written agreements.

19. **Survival.** The parties understand and agree that all representations, warranties and indemnifications of the parties contained herein shall survive for a period of twelve (12) months after the Closing Date.

20. **Further Cooperation.** After closing each party shall execute, acknowledge and deliver all documents and take all such acts, which from time to time, may reasonably be requested by the other party in order to carry out the purposes of this Agreement.

21. **Confidentiality.** The existence of this Agreement shall be kept confidential, and neither Buyer nor Sellers will make any announcement concerning it without the other party's prior written approval, except as may be required by law.

22. **Counterparts.** This Agreement may be executed in one or more counterparts with the same effect as if all signatures of the parties hereto were on the same document but in such event each counterpart shall constitute an original, and all of such counterparts shall constitute one Agreement.

23. **Binder.** This Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.

24. **Savings Clause.** In the event that any term of this Agreement is determined to be illegal or otherwise unenforceable by a court of competent jurisdiction, the remaining terms of this Agreement shall remain, wherever possible, and shall be construed as though the illegal or unenforceable provision is stricken from this Agreement.

IN WITNESS WHEREOF, the parties have hereunto caused their authorized representatives to execute this Agreement effective on the day first above written.

SELLERS:

Liberty Operations & Completions, Inc.,
a Kansas Corporation

By: Roger Comeau
Name: **Roger Comeau**
Title: **President**

BUYER:

Bach Oil Productions, Inc.,
a ~~Nebraska~~ Corporation

Kansas
By: J. Bach
Name: **Jason Bach**
Title: **President**

EXHIBIT “A” – Leases

****This Exhibit will be supplemented with complete descriptions of the oil and gas leases upon completion of the title examination described in Paragraph 8****

Rooks County, Kansas Leases

1. Allphin (75.90426% NRI)
NW/4 of 35-9-20 Rooks County, Kansas
2. Burton (87.5% NRI)
E/2 of 20-10-17 Rooks County, Kansas
3. CF Rupp (82.03125% NRI)
S/2 SW/4 of 24-7-18 Rooks County, Kansas, less the NE/4 SE/4 SW/4
4. Diehl (87.5% NRI)
N/2 of 5-9-17 Rooks County, Kansas
5. Farr (87.5% NRI)
N/2 NE/4 of 1-8-19 Rooks County, Kansas
6. Ganoung A (87.5% NRI)
W/2 W/2 of 28-10-17 Rooks County, Kansas
7. Ganoung B (87.5% NRI)
E/2 W/4 of 28-10-17 Rooks County, Kansas
8. George Lambert (87.5% NRI)
SE/4 of 29-9-20 Rooks County, Kansas
9. Green (87.5% NRI)
N/2 of 33-9-19 Rooks County, Kansas
10. Herman (87.5% NRI)
SE/4 of 17-10-17 Rooks County, Kansas
11. Lambert (87.5% NRI)
NE/4 of 29-9-20 Rooks County, Kansas
12. Leo (83.2656% NRI)
W/2 NE/4 and N/2 SW/4 of 10-10-16 Rooks County, Kansas
13. Lindsey (87.5% NRI)
NE/4, SE/4 SE/4, and SW/4 SE/4, less tract described in Book 247, Page 183,
of 36-7-91 Rooks County, Kansas

14. RR Ganoung (86.5% NRI)
NE/4 of 21-10-17 Rooks County, Kansas
15. Rupp-Eggers (82.03125% NRI)
Tract in the NE/4 of S/2 SW/4 of 24-7-18 Rooks County, Kansas
16. Stalnaker (87.5% NRI)
NE/4 of 30-9-17
17. Westhusin A (87.5% NRI)
NE/4 of 22-9-17 Rooks County, Kansas
18. Howat (87.5% NRI)
SW/4 of 14-9-17 Rooks County, Kansas
19. Thompson (87.5% NRI)
SW/4 of 5-9-17 Rooks County, Kansas
20. Westhusin B (76.3474% NRI)
NW/4 of 14-9-17 Rooks County, Kansas

Ellis County, Kansas Leases

21. Charloais (87.5% NRI)
NW/4 of 5-11-17 Ellis County, Kansas
22. Cora (87.5% NRI)
NW/4 of 9-11-17 Ellis County, Kansas
23. Donna Mae (84.76563% NRI)
NE/4 of 3-11-17 Ellis County, Kansas
24. Henderson (86.3% NRI)
E/2 SW/4 of 15-11-18 Ellis County, Kansas
25. Johnson (83.398% NRI)
NW/4 of 36-11-19 Ellis County, Kansas
26. McGehee-Davis (80.0% NRI)
NW/4 and W/2 SW/4 of 15-11-18 Ellis County, Kansas
27. Schmidt (83.26558% NRI)
NE/4 of 10-12-17 Ellis County, Kansas

EXHIBIT “B” – SWDs

All salt water disposal wells and agreements associated with the Oil and Gas Leases described in Exhibit A.

EXHIBIT “C” - Equipment

All wellheads, tanks, pumps, compressors, separators, heater treaters, heating elements, valves, fittings, equipment, machinery, fixtures, flowlines, pipelines, tubular goods, and well files pertaining to the Oil and Gas Leases described in Exhibit A and the saltwater disposal wells described in Exhibit B.

**EXHIBIT “D”
ROOKS COUNTY LEASES**

Allphin -75.90426% NRI \$55,000.00

<u>Owner</u>	<u>WI Percent</u>
Liberty II, Inc.	100.00%

Burton – 87.5% NRI \$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	11.728438%
Roger L. Comeau	3.125000%
The Comeau Wynhausen	1.074687%
LaNita Ehrlich	0.118750%
Granite Pacific, LLC	15.500000%
Steve Hall	1.484375%
Jayhawk 68, LLC	2.938750%
Ed & Bonny Jordan, JT	0.118750%
Lisa & Cami, LLC	0.118750%
RJ Oil Properties	0.356250%
Diane Smetana	5.987500%
Trevo, LLC	26.224375%
Liberty II, Inc.	26.224375%
Limbo, Inc.	5.000000%

C.F. Rupp – 82.03125% NRI \$45,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	5.612500%
The Comeau Wynhausen	2.262500%
LaNita Ehrlich	0.250000%
Steve Hall	3.125000%
Ed & Bonny Jordan, JT	0.250000%

Lisa & Cami, LLC	0.250000%
RJ Oil Properties	0.750000%
Trevo, LLC	3.125000%
Eric Schwartz	3.125000%
Jane E. Schwartz	3.125000%
George A. Comeau 2002 Family Trust	6.250000%
Mary Beth Gorrell	6.250000%
Liberty Enterprises, Inc.	65.625000%

Diehl – 87.5% NRI

\$150,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	8.418750%
Roger L. Comeau	62.500000%
The Comeau Wynhausen	3.393750%
LaNita Ehrlich	0.375000%
Steve Hall	4.687500%
Ed & Bonny Jordan, JT	0.375000%
Lisa & Cami, LLC	0.375000%
RJ Oil Properties	1.125000%
Trevo, LLC	12.500000%
Jerry Smetana	6.250000%

Farr – 87.5% NRI

\$35,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	5.977125%
The Comeau Wynhausen	6.996625%
LaNita Ehrlich	0.082500%
Steve Hall	1.031250%
Jayhawk 68, LLC	6.250000%
Ed & Bonny Jordan, JT	0.082500%
Lisa & Cami, LLC	2.082500%
RJ Oil Properties	0.247500%
Trevo, LLC	32.218750%
Liberty II, Inc.	32.218750%
Francis Hitschmann	6.250000%
Limbo, Inc.	5.000000%
James Mages	1.562500%

Ganoung A – 87.5% NRI

\$55,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	10.607625%
The Comeau Wynhausen	4.276125%
LaNita Ehrlich	0.472500%

Granite Pacific, LLC	15.500000%
Steve Hall	5.906250%
Jayhawk 68, LLC	2.938750%
Ed & Bonny Jordan, JT	0.472500%
Lisa & Cami, LLC	0.472500%
RJ Oil Properties	1.417500%
Diane Smetana	5.968750%
Trevo, LLC	33.592500%
Donald Ganoung	6.250000%
Douglas Ganoung	6.250000%
Francis Vonfeldt	5.875000%

Ganoung B – 87.5% NRI

\$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	17.116313%
The Comeau Wynhausen	2.138062%
LaNita Ehrlich	0.236250%
Granite Pacific, LLC	18.609100%
Steve Hall	2.953125%
Jayhawk 68, LLC	3.528350%
Ed & Bonny Jordan, JT	0.236250%
Lisa & Cami, LLC	0.236250%
RJ Oil Properties	0.708750%
Diane Smetana	7.166150%
Trevo, LLC	40.017800%
Francis Vonfeldt	7.053600%

George Lambert - 87.5% NRI

\$25,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	10.607625%
The Comeau Wynhausen	4.276125%
LaNita Ehrlich	0.472500%
Granite Pacific, LLC	32.859375%
Steve Hall	5.906250%
Ed & Bonny Jordan, JT	0.472500%
Lisa & Cami, LLC	0.472500%
RJ Oil Properties	1.417500%
Diane Smetana	5.968750%
Trevo, LLC	4.687500%
Liberty II, Inc.	32.859375%

Lambert – 87.5% NRI

\$55,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	10.607625%
Roger L. Comeau	32.859375%
The Comeau Wynhausen	4.276125%
LaNita Ehrlich	0.472500%
Granite Pacific, LLC	32.859375%
Steve Hall	5.906250%
Ed & Bonny Jordan, JT	0.472500%
Lisa & Cami, LLC	0.472500%
RJ Oil Properties	1.417500%
Diane Smetana	5.968750%
Trevo, LLC	4.687500%

Herman – 87.5% NRI

\$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	8.456875%
Roger L. Comeau	3.125000%
The Comeau Wynhausen	2.149375%
LaNita Ehrlich	0.237500%
Granite Pacific, LLC	15.500000%
Steve Hall	2.968750%
Jayhawk 68, LLC	2.938750%
Ed & Bonny Jordan, JT	0.237500%
Lisa & Cami, LLC	0.237500%
RJ Oil Properties	0.712500%
Diane Smetana	5.987500%
Trevo, LLC	26.224375%
Liberty II, Inc.	26.224375%
Limbo, Inc.	5.000000%

Leo – 83.2656% NRI

\$25,000.00

<u>Owner</u>	<u>WI Percent</u>
Liberty Enterprises, Inc.	50.000000%
Liberty II, Inc.	50.000000%

Lindsey – 87.5% NRI

\$5,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	4.528125%
The Comeau Wynhausen	6.815625%
LaNita Ehrlich	0.062500%
Steve Hall	0.781250%

Jayhawk 68, LLC	6.250000%
Ed & Bonny Jordan, JT	0.062500%
Lisa & Cami, LLC	0.062500%
RJ Oil Properties	0.187500%
Trevo, LLC	31.093750%
Liberty II, Inc.	31.093750%
Carl Hance	6.250000%
Francis Hitschmann	6.250000%
Limbo, Inc.	5.000000%
James Mages	1.562500%

R & R Ganoung – 86.5% NRI

\$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	7.969750%
The Comeau Wynhausen	3.212750%
LaNita Ehrlich	0.355000%
Granite Pacific, LLC	47.000000%
Steve Hall	4.437500%
Jayhawk 68, LLC	2.938750%
Ed & Bonny Jordan, JT	0.355000%
Lisa & Cami, LLC	0.355000%
RJ Oil Properties	1.065000%
Diane Smetana	5.968750%
Trevo, LLC	26.342500%

Rupp-Eggers – 82.03125% NRI

\$36,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	5.612500%
The Comeau Wynhausen	2.262500%
LaNita Ehrlich	0.250000%
Steve Hall	3.125000%
Ed & Bonny Jordan, JT	0.250000%
Lisa & Cami, LLC	0.250000%
RJ Oil Properties	0.750000%
Trevo, LLC	3.125000%
Eric Schwartz	6.250000%
George A. Comeau 2002 Family Trust	6.250000%
Mary Beth Gorrell	6.250000%
Liberty Enterprises, Inc.	59.375000%
Donald C. Hoover	0.446428%
Mary Metz	0.446428%
Carol A. Neihardt	0.446428%
Constance Sheldon	0.446428%

Sue Ellen Ihde	0.446428%
Janet Kuhn	0.446428%
Fredrick Hoover	0.446432%
Anthony F. Rupp	3.125000%

Westhusin A – 87.5% NRI \$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	11.954625%
Roger L. Comeau	32.875000%
The Comeau Wynhausen	4.819125%
LaNita Ehrlich	0.532500%
Granite Pacific, LLC	32.875000%
Steve Hall	6.656250%
Ed & Bonny Jordan, JT	0.532500%
Lisa & Cami, LLC	0.532500%
RJ Oil Properties	1.597500%
Diane Smetana	2.937500%
Trevo, LLC	4.687500%

Green – 87.5% NRI \$100,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	12.772838%
The Comeau Wynhausen	1.591538%
LaNita Ehrlich	0.176250%
Granite Pacific, LLC	35.000000%
Steve Hall	2.203125%
Jayhawk 68, LLC	3.125000%
Ed & Bonny Jordan, JT	0.176250%
Lisa & Cami, LLC	0.176250%
RJ Oil Properties	0.528750%
Diane Smetana	5.968750%
Trevo, LLC	3.125000%
Liberty II, Inc.	35.156250%

Howat – 87.5% NRI** \$55,000.00

<u>Owner</u>	<u>WI Percent</u>
Liberty II, Inc.	50.000000%
Francis Hitschmann	50.000000%

**Liberty II, Inc. is retaining 50.00%

Thompson – 87.5% NRI

\$120,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	8.426249%
Roger L. Comeau	62.500000%
The Comeau Wynhausen	3.386249%
LaNita Ehrlich	0.375000%
Steve Hall	4.687502%
Ed & Bonny Jordan, JT	0.375000%
Lisa & Cami, LLC	0.375000%
RJ Oil Properties	1.125000%
Diane Smetana	6.250000%
Trevo, LLC	12.500000%

**Roger L. Comeau is retaining 37.5%. Trevo, LLC is retaining 12.5%.

Westhusin B – 76.3474% NRI**

\$35,000.00

<u>Owner</u>	<u>WI Percent</u>
Liberty Enterprises, Inc.	25.899100%
Roy & Doorthy Dubutzky Trust	12.455200%
Herman Fellhoelter	3.180700%
Legacy Oil, LLC	6.278900%
Lamotte Oil Company	7.558100%
The Landon Co.	8.053900%
Liberty II, Inc.	24.402700%
Stephanie Ladato	6.979200%
William H. Arrington III	1.730733%
Joseph C. Arrington	1.730734%
Mary E. Arrington	1.730733%

**Liberty Enterprise, Inc. is retaining 25.89910%. Liberty II, Inc. is retaining 24.4027%

ELLIS COUNTY LEASES

Donna Mae – 84.76563% NRI

\$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	7.381438%
The Comeau Wynhausen	0.531687%
LaNita Ehrlich	0.058750%
Steve Hall	0.734375%
Jayhawk 68, LLC	2.938750%
Ed & Bonny Jordan, JT	0.058750%
Lisa & Cami, LLC	0.058750%
RJ Oil Properties	0.176250%
Diane Smetana	5.987500%
Trevo, LLC	37.536875%
Liberty II, Inc.	37.536875%
Limbo, Inc.	5.000000%
GPC Petroleum	2.000000%

McGehee/Davis – 80.0% NRI

\$55,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	13.584375%
Roger L. Comeau	65.625000%
The Comeau Wynhausen	1.696875%
LaNita Ehrlich	0.187500%
Steve Hall	2.343750%
Ed & Bonny Jordan, JT	0.187500%
Lisa & Cami, LLC	0.187500%
RJ Oil Properties	0.562500%
Trevo, LLC	6.250000%
Jerry Smetana	6.250000%
Cory Stahl	1.562500%
Liberty Operations & Completions	1.562500%

Johnson – 83.398% NRI

\$25,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	10.757296%
The Comeau Wynhausen	4.336458%
LaNita Ehrlich	0.479165%
Steve Hall	5.989583%
Ed & Bonny Jordan, JT	0.479165%
Lisa & Cami, LLC	0.479166%
RJ Oil Properties	1.437500%
George A. Comeau 2002 Family Trust	11.979167%

Liberty Enterprises, Inc.	26.562500%
Liberty II, Inc.	34.375000%
Donna Frenzl	3.125000%

Henderson – 86.3% NRI \$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	13.584375%
Roger L. Comeau	65.625000%
The Comeau Wynhausen	1.696875%
LaNita Ehrlich	0.187500%
Steve Hall	2.343750%
Ed & Bonny Jordan, JT	0.187500%
Lisa & Cami, LLC	0.187500%
RJ Oil Properties	0.562500%
Trevo, LLC	6.250000%
Jerry Smetana	6.250000%
Cory Stahl	1.562500%
Liberty Operations & Completions	1.562500%

Schmidt B – 83.26558% NRI \$15,000.00

<u>Owner</u>	<u>WI Percent</u>
Liberty Enterprises, Inc.	50.000000%
Liberty II, Inc.	50.000000%

Charolais – 87.5% NRI** \$200,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	8.877575%
The Comeau Wynhausen	7.356175%
LaNita Ehrlich	0.122501%
Steve Hall	1.531250%
Jayhawk 68, LLC	6.250000%
Ed & Bonny Jordan, JT	0.122501%
Lisa & Cami, LLC	2.122501%
RJ Oil Properties	0.367499%
Diane Smetana	6.250000%
Trevo, LLC	27.093749%
Francis Hitschmann	6.250000%
Limbo, Inc.	5.000000%
Liberty II, Inc.	27.093749%

**Trevo, LLC is retaining 23.093749%. Liberty II, Inc. is retaining 27.093749%.

Cora – 87.5% NRI**

\$113,000.00

<u>Owner</u>	<u>WI Percent</u>
Blessings, LLC	12.859875%
Roger L. Comeau	36.156250%
The Comeau Wynhausen	1.606375%
LaNita Ehrlich	0.177500%
Granite Pacific, LLC	36.718750%
Steve Hall	2.218750%
Jayhawk 68, LLC	1.562500%
Ed & Bonny Jordan, JT	0.177500%
Lisa & Cami, LLC	0.177500%
RJ Oil Properties	0.532500%
Diane Smetana	3.125000%
Trevo, LLC	4.687500%

**Roger L. Comeau is retaining 36.15625%. Trevo, LLC is retaining 4.6875%

Exhibit "E"

<u>OWNER TOTAL*</u>	<u>Owner**</u>
\$ 110,873.59	Blessings, LLC
\$ 193,628.91	Roger L. Comeau
\$ 42,028.99	The Comeau Wynhausen
\$ 2,988.55	LaNita Ehrlich
\$ 130,727.30	Granite Pacific, LLC
\$ 37,356.93	Steve Hall
\$ 23,799.44	Jayhawk 68, LLC
\$ 2,988.55	Ed & Bonny Jordan, JT
\$ 7,688.56	Lisa & Cami, LLC
\$ 8,965.66	RJ Oil Properties
\$ 42,663.05	Diane Smetana
\$ 95,993.39	Trevo, LLC
\$ 3,656.25	Eric Schwartz
\$ 1,406.25	Jane E. Schwartz
\$ 8,057.29	George A. Comeau 2002 Family Trust
\$ 5,062.50	Mary Beth Gorrell
\$ 77,546.88	Liberty Enterprises, Inc.
\$ 13,750.00	Jerry Smetana
\$ -	William H. Arrington, Jr.
\$ 4,359.32	Roy & Dorothy Dubitzky Trust
\$ 1,113.25	Herman Fellhoelter
\$ 2,197.62	Legacy Oil, LLC
\$ 2,645.34	Lamotte Oil Company
\$ 2,818.87	The Landon Co.
\$ 153,293.94	Liberty II, Inc.
\$ 2,442.72	Stephanie Ladato
\$ 312.50	Carl Hance
\$ 42,500.00	Francis Hitschmann
\$ 14,250.00	Limbo, Inc.
\$ 3,750.00	James Mages
\$ 300.00	GPC Petroleum
\$ 3,437.50	Donald Ganoung
\$ 3,437.50	Douglas Ganoung
\$ 4,289.29	Francis Vonfeldt
\$ 781.25	Donna Frenzl
\$ 1,093.75	Cory Stahl
\$ 1,093.75	Liberty Operations & Completitions
\$ 160.71	Donald C. Hoover
\$ 160.71	Mary Metz
\$ 160.71	Carol A. Neihardt
\$ 160.71	Constance Sheldon
\$ 160.71	Sue Ellen Ihde
\$ 160.71	Janet Kuhn
\$ 160.72	Fredrick Hoover
\$ 1,125.00	Anthony F. Rupp
\$ 605.76	William H. Arrington III
\$ 605.76	Joseph C. Arrington
\$ 605.76	Mary E. Arrington
\$ 1,057,365.94	

*The above sums are based on allocations provided by Bach Oil Production and reflect the total purchase price in the event there is the sale of 100% working interest in all Leases, except for approximately 50% in the Cora, Charloais, Howat, Thompson, and Westhusin B Lease. The total purchase price for Buyer shall be amended at a later date to reflect the actual participation amount of the investors. The share of revenue for each investor shall further be adjusted to reflect closing costs and other expenses related to the transaction.

**The owners described above are based on the records held by Liberty Operations & Completitions may be revised in the event title research reveals changes in record ownership that have not been disclosed to Liberty Operations & Completion.