

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 _____

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: _____

**AGREEMENT FOR PURCHASE OF OIL AND
GAS LEASEHOLD INTERESTS**

THIS AGREEMENT made and entered into this 5th day of October, 2023, by and between **Castle Resources, Inc.**, a Kansas corporation, with principal offices in Schoenchen, Kansas, hereinafter referred to as ("Castle"), and as agent for and on behalf of the Working Interest Owners, and collectively referred to as ("Sellers"), and **Harrison Gilliland**, a resident of Plainville, Kansas, hereinafter referred to as ("Buyer").

WITNESSETH:

WHEREAS, Sellers 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, 100% of Sellers' oil and gas leasehold interest and assets associated with the oil and gas leases known as the Atherton and Henderson Leases as described on Exhibit "A and B" attached hereto.

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:

promptly, but no later than five (5) days prior to closing, notify Sellers in writing of any defects. Sellers shall have a reasonable time within which to remedy or cure any defects and in the event the same cannot be remedied or cured, then in that event, Buyer, at its sole option and election, may declare the agreement void and terminated and shall have no further obligation to purchase properties.

8. **Operations Pending Closing.** The parties understand and agree that the effective date of this transaction shall be September 1, 2023, however, the Seller shall remain in possession and operate such properties until October 1, 2023. Buyer shall be entitled to all production on or after September 1, 2023, including oil previously produced and in the tanks. Buyer shall reimburse Seller for its actual out-of-pocket expenses incurred in operating the leases for the month of September 2023. Buyer shall take over all operations effective October 1, 2023.

9. **Revenue and Expenses Pending Closing.** It is understood and agreed that all revenue attributable to the oil and gas leases produced prior to the effective date, even though it will be paid in September of 2023 shall remain the property of Sellers. Buyer shall reimburse Sellers for all their operations incurred after the effective date up until the time that such operations are turned over to Buyer on October 1. From and after the effective date Buyer shall be entitled to all revenue from oil produced on the premises on or after September 1 which will include oil in the tanks effective as of September 1. Buyer shall also reimburse Seller for any and all operating expenses incurred by Seller from and after the effective date.

10. **Buyer' Indemnification.** From its ownership and operation of leasehold premises upon taking over operations on or about October 1, 2023 Buyer agrees to indemnify and hold Sellers harmless from any and all costs, liabilities, expenses, suits, judgments, payment of royalty, damages to persons or property, plugging costs, or compliance with State and Federal laws and regulations arising from its ownership and operation of the leasehold premises commencing the effective date of this transaction, September 1, 2023.

11. **Sellers' Indemnification.** From its ownership and operation of leasehold premises upon taking over operations on or about October 1, 2023 Sellers agrees to indemnify and hold Buyer harmless from any and all costs, 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 leasehold premises prior to the effective date of this transaction as of September 1, 2023.

12. **Final Closing Statement.** At the time of closing, the Escrow Agent shall prepare and provide a closing statement, reflecting any adjustments to the purchase price or otherwise arising out of this Agreement which statement shall be provided to the parties. The parties shall have five (5) days thereafter within which to request adjustments or modifications to the closing statement.

13. **Mortgages, Liens, and Encumbrances.** Unless otherwise agreed by Sellers, at no time during the term of this agreement shall Buyer permit or allow any mortgages, mechanic's liens, or other encumbrances to be filed or to become liens against the aforementioned leases or personal property associated therewith and shall indemnify and hold Sellers harmless of any

liability or responsibility for any such unpaid mortgages, liens, or other encumbrances.

14. **Post Closing Operations.** Buyer agrees that until all of the installment payments have been paid in full, it shall continue to operate as, maintain production from the Leases and do nothing to jeopardize the validity of such oil and gas leases unless it first receives written approval to take such action from the Sellers.

15. **Default.** The parties acknowledge and agree that time is of the essence in construing this agreement. In the event Buyer fails to make an installment payment when due or fails to pay taxes, insure the premises, or otherwise maintain and produce such oil and gas leases or otherwise comply with any other terms and conditions required of Buyer to maintain such leases and after thirty (30) days notice of such default is given by Sellers to Buyer and said default is not remedied or cured then in that event, Seller shall have the right to pursue and remedies to which they may be entitled at law or equity for such breach including but not limited to specific performance of this agreement or in the alternative for forfeiture or damages.

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

Sellers: **Castle Resources, Inc.**
C/O: Jerry Green
PO Box 583
Russell, KS 67665

Buyer: **HG Oil Holdings, LLC**
C/O: Harrison Gilliland
211 SW 9th Street
Plainville, KS 67601

17. **Expenses.** The parties agree to split the closing and escrow costs of the Jeter Law Firm. Buyer shall incur the costs for recording the assignments. Sellers shall pay for document preparation and consultation with the Jeter Law Firm and Buyer shall be responsible for consultation fees with his attorney.

18. **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.

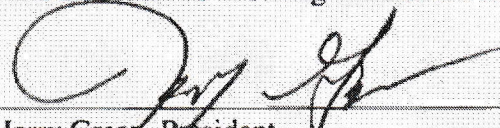
19. **Assignment.** Castle shall have the right to assign its leasehold interest without the consent or approval of Sellers.

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

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

SELLERS:

CASTLE RESOURCES, INC., Operator and Agent
for and on behalf of Working Interest Owners

By 
Jerry Green, President

BUYER:

HARRISON GILLILAND

By 
Harrison Gilliland

EXHIBIT "A"

Atherton Leases

1. Lessors: Edna I. Mai Trustee, Indenture of Trust of Edna I. Mai
Lessee: K & M Pipe and Supply Co.
Date: November 16, 2011
Recorded: Book 216, Page 328
Legal Description: SW/4 of 30-13-14 Russell County, Kansas
2. Lessors: Gerald Edward Mai and Stella Mary Mai, Trustees of the
Gerald Mai Trust dated June 15, 2000
Lessee: K & M Pipe and Supply Co.
Date: November 16, 2011
Recorded: Book 216, Page 330
Legal Description: SE/4 of 30-13-14 Russell County, Kansas

Henderson Leases

1. Lessors: Kansas City Life Insurance Co.
Lessee: Meridian Energy, Inc.
Date: April 24, 2008
Recorded: Book 694 Records, Page 217
Legal Description: SE/4 NW/4; E/2 SW/4; SW/4 SW/4 of 22-11-18 Ellis County,
Kansas
2. Lessors: Newray Limited Partners, L.P., Newell R. Hays Enterprises,
Inc., General Partner
Lessee: Meridian Energy, Inc.
Date: April 24, 2008
Recorded: Book 705, Page 675
Legal Description: SE/4 NW/4; E/2 SW/4; SW/4 SW/4 of 22-11-18 Ellis County,
Kansas
3. Lessors: McGehee-Davis Co.
Lessee: Meridian Energy, Inc.
Date: April 24, 2008
Recorded: Book 705, Page 991
Legal Description: SE/4 NW/4; E/2 SW/4; SW/4 SW/4 of 22-11-18 Ellis County,
Kansas
4. Lessors: Donald E. Cobb, Trustee of the JHC Trust
Lessee: Meridian Energy, Inc.
Date: April 24, 2008
Recorded: Book 705, Page 994
Legal Description: SE/4 NW/4; E/2 SW/4; SW/4 SW/4 of 22-11-18 Ellis County,
Kansas

5. Lessors: Shirley Wahlenmaier Voegele, a married woman dealing in her sole and separate property
Lessee: Meridian Energy, Inc.
Date: April 24, 2008
Recorded: Book 705, Page 997
Legal Description: SE/4 NW/4; E/2 SW/4; SW/4 SW/4 of 22-11-18 Ellis County, Kansas
6. Lessors: Deborah B. Grissen and Marshall E. Brown, Co-Trustees of the Leone Wahlenmaier Trust
Lessee: Meridian Energy, Inc.
Date: April 24, 2008
Recorded: Book 706, Page 1
Legal Description: SE/4 NW/4; E/2 SW/4; SW/4 SW/4 of 22-11-18 Ellis County, Kansas
7. Lessors: Douglas M. Crowe, Jr. and Maxine J. Crowe, Trustees of the Crowe Family Trust
Lessee: Meridian Energy, Inc.
Date: April 24, 2008
Recorded: Book 706, Page 4
Legal Description: SE/4 NW/4; E/2 SW/4; SW/4 SW/4 of 22-11-18 Ellis County, Kansas