

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: _____

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement"), dated as of the June 4, 2024 is entered into by and between Mikol Oil LLC, a Kansas corporation, whose address is 2094 260th Ave Hays Ks 67601, on behalf of its working interest owners hereinafter set out ("Seller"), and Harrison Gilliland whose address is PO Box 97 Plainville KS 67663 ("Buyer"). Seller and Buyer are sometimes referred to herein collectively as the "Parties" and individually as a "Party".

Harrison Gilliland agrees to purchase the Mikol Oil LLC production listed in Exhibit A. The operations will then be transferred to HG Oil Holdings , LLC.

By signing below, both Parties agree to this sale and plan to move forward when legal documents are complete and ready for signatures.

SELLER:
Mikol Oil LLC

By:  6-4-24

Name: Larry Denning
Managing Member Manager

BUYER:
Harrison Gilliland

By: Harrison Gilliland
Harrison Gilliland (Jun 19, 2024 10:23 CDT)

Name: Harrison Gilliland

Exhibit A
“Wells”, “Allocated Values” and WI/NRI

WELL NAME	API NUMBER	STATE	COUNTY	WI	NRI	TWN	RNG	SEC	NAME OF OPERATOR
Brown Etal # 1	15-163-24233	KS	ROOKS	100%	83	10 S	16 W	17 SE NE SW NE	SANDLIN OIL CORPORATION
Clark # 1	15-065-23284	KS	GRAHAM	100%	83	9 S	25 W	12 SE NE NW	SANDLIN OIL CORPORATION
Joy # 1	15-051-26376	KS	ELLIS	100%	83	12 S	18 W	14 N2 SW NW SW	SANDLIN OIL CORPORATION
Joy # 2	15-051-26421	KS	ELLIS	100%	83	12 S	18 W	14 SE NW SE NW	SANDLIN OIL CORPORATION
Karlin Lease									SANDLIN OIL CORPORATION
Karlin #2	15-051-25887	KS	ELLIS	100%	83	12 S	18 W	15 E2 NE SW SE	SANDLIN OIL CORPORATION
Karlin #3	15-051-26116	KS	ELLIS	100%	83	12 S	18 W	15 SE SW NE SE	SANDLIN OIL CORPORATION
Karlin #4	15-051-26234	KS	ELLIS	100%	83	12 S	18 W	15 SW SW SE	SANDLIN OIL CORPORATION
Karlin E 1	15-051-30279-0001	KS	ELLIS	100%	83	12 S	18 W	15 NE NW SE SE	SANDLIN OIL CORPORATION
McRae Lease									SANDLIN OIL CORPORATION
McRae #1	15-051-02505-0001	KS	ELLIS	100%	83	12 S	18 W	22 NE SE NW	SANDLIN OIL CORPORATION
McRae #2	15-051-26262	KS	ELLIS	100%	83	12 S	18 W	22 N2 SW NE NW	SANDLIN OIL CORPORATION
McRae Hardie # 1	15-051-26860	KS	ELLIS	100%	83	12 S	18 W	22 SE SE NW SW	SANDLIN OIL CORPORATION
McRae Werth # 1	15-051-26830	KS	ELLIS	100%	83	12 S	18 W	22 SE SE NE SW	SANDLIN OIL CORPORATION
Snyder # 1	15-171-20252	KS	SCOTT	100%	85	18 S	31 W	24 NW SE SW	SANDLIN OIL CORPORATION
Staab Karlin # 1	15-051-26057	KS	ELLIS	100%	82	12 S	18 W	15 SE SW SE NE	SANDLIN OIL CORPORATION
Staab Karlin Etal # 2	15-051-26657	KS	ELLIS	100%	83	12 S	18 W	15 NE NE SE	SANDLIN OIL CORPORATION
Weber Staab # 1	15-051-26638	KS	ELLIS	100%	83	12 S	18 W	15 SW SE NE NE	SANDLIN OIL CORPORATION
Werth Etal # 1	15-051-26846	KS	ELLIS	100%	83	12 S	18 W	22 SW SW SW SE	SANDLIN OIL CORPORATION
Reeder 1	15-051-04411-0001	KS	ELLIS	100%	83	12 S	18 W	22 NE NE NW	SANDLIN OIL CORPORATION






Mikol Oil to HG Sandlin

Final Audit Report

2024-06-19

Created:	2024-06-19
By:	HG Oil Holdings (hg.oil.holdings@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAANKGqcHOGL-aA2uYN-zN_VQ6dhfDPZedg

"Mikol Oil to HG Sandlin" History

-  Document created by HG Oil Holdings (hg.oil.holdings@gmail.com)
2024-06-19 - 3:04:04 PM GMT
-  Document emailed to Harrison Gilliland (hgilliland5@gmail.com) for signature
2024-06-19 - 3:04:09 PM GMT
-  Email viewed by Harrison Gilliland (hgilliland5@gmail.com)
2024-06-19 - 3:23:15 PM GMT
-  Document e-signed by Harrison Gilliland (hgilliland5@gmail.com)
Signature Date: 2024-06-19 - 3:23:27 PM GMT - Time Source: server
-  Agreement completed.
2024-06-19 - 3:23:27 PM GMT

CONTRACT FOR SALE OF OIL AND GAS LEASE
WORKING INTERESTS

THIS CONTRACT FOR SALE OF OIL AND GAS LEASE WORKING INTERESTS is made and entered into as of the last date executed below, by and between **Sandlin Oil Corporation PO Box 430 Dacono, CO 80514**, for itself and as agent for all non-operating working interest owners, together owning 100% of the working interests in the oil and gas leases described in Exhibit A, hereinafter called "**Seller,**" and **Mikol Oil, LLC 2094 260th Ave., Hays, Kansas 67601**, hereinafter called "**Buyer.**"

WHEREAS, Seller and the non-operating working interest owners are the owners of 100 % of the working interests in the oil and gas leases described in Exhibit "A" attached hereto ("The Leases") including 100 % of the equipment situated on The Leases and desires to sell the same, hereinafter collectively called ("The Interests");

AND WHEREAS, Seller is the operator of The Leases;

AND WHEREAS, Seller and has authority as agent for the non-operating working interest owners to enter into this Contract For Sale Of Oil And Gas Working Interests to sell to Buyer the non-operating working interest owners interests in The Leases including the equipment situated on The Leases and attributable to each non-operating working interest owners' working interest;

AND WHEREAS, Buyer desires to purchase The Interests upon the terms and conditions hereinafter set forth.

NOW THEREFORE, for and in consideration of these presents, Seller agrees to sell, and Buyer agrees to purchase, The Interests in accordance with the following terms and provisions:

1. **Purchase Price.** Seller agrees to sell, and Buyer agrees to purchase The Interests for the total price of \$3,000,000.00, allocated among The Leases as stated in Exhibit A.
2. **Effective Date.** While this Contract shall be binding as of the date of its execution by the last party hereto, this sale shall be effective, and title shall transfer from Sellers and each non-operating working interest owner to Buyer, on the 1st day of June, 2024 (The Effective Date).
3. **Operations.** Seller in consideration of these presents agrees to assign to Buyer and Buyer agrees to accept the right to operate The Leases effective the 1st day of June, 2024.
4. **Ad Valorem Taxes.** Ad valorem taxes assessed against The Leases for the year 2023 have been or will be paid by Seller prior to the closing of this sale. Obligation for the payment of Ad valorem taxes assessed against The Leases for the year 2024 shall be prorated between Seller and Buyer as of the effective date. It is recognized that the exact amount of the Ad valorem taxes imposed against The Leases for the year 2024 will not be known at the time of closing. Seller and Buyer stipulate that the calculation of their respective obligations for the 2024 taxes will be based upon the amount of tax imposed on The Leases for the year 2023. Buyer will receive credit against the purchase price at closing for the Seller's prorated share of the 2024 taxes determined as stipulated.
5. **Warranty.** Sellers warrant that at the time of closing there will be no unpaid liens or encumbrances against The Interests, including but not limited to any liens or

warrants for unpaid taxes/fees/assessments due to the State of Kansas, the United States of America, or any other governmental agency, subdivision or authority; that there are no outstanding balances due for taxes/fees/assessments that have not yet become a lien or warrant on The Interests; and that Seller is not now, nor 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. Seller also warrants that to Seller's knowledge there are no environmental hazards caused by Seller's operation of oil and/or gas wells existing on the Leases.

6. **Notice.** Any notices or other communications required or permitted under this contract shall be in writing and mailed addressed as follows:

If to Buyer:
Buyer's attorney,
Dennis R. Davidson
Thompson, Arthur, Davidson & Katz
P.O. Box 111
Russell, KS 67665

If to Seller:
Sandlin Oil Corporation,
Kathie Sandlin, President
PO Box 430
Dacono CO 80514

7. **Oil In Tanks.** Operator shall cause the oil in the stock tanks on The Leases to be sold on or before the closing. Oil remaining in the tanks after closing shall be the property of Buyer.

8. **Revenue And Expenses.** All revenue from the sale of oil produced prior to The Effective Date shall be the property of Seller and non-operating working interest owners. Seller shall pay all expenses of operation of The Leases incurred prior to The Effective Date. Buyer shall be entitled to all revenue from the sale of oil produced on and after The Effective Date. Buyer shall pay all expenses of operation of The Leases incurred on and after The Effective Date.

9. **Indemnity.** Seller shall assume all risk, liability, and obligation with respect to The Leases during the period of Seller's operation of The Leases, and Buyer shall assume all risk, liability, and obligation with respect to The Leases from and after the closing of Buyer's purchase of The Interests. With respect to and only with respect to claims made by persons other than the parties, Seller and Buyer shall indemnify and hold harmless one another from and against all costs, liabilities, expenses, including attorney's fees, suits, judgments, payment of royalties, damages to persons or property, and compliance with State and Federal laws and regulations arising from, and incident to, each of their respective ownership of working interest in or operation of The Leases.

10. **Closing.** This sale shall close on the 1st day of June, 2024. Closing shall take place in accordance with the following procedures:

(A) Closing shall take place at the offices of Sandlin Oil Corporation 500 8th St. Suite c-1,C-2 Dacono, Colorado 80541-0430.

(B) Buyer shall deliver the purchase price for the Gary S. Sandlin, LLC, and Sandlin Oil Corporation interests, adjusted as provided in paragraph 4, to Seller by wire transfer of federal funds or cashier's or certified check. All other purchase price funds shall be paid directly to the non-operating working interest owners.

(C) Seller shall deliver properly executed Assignments with warranty of title conveying Gary S. Sandlin, LLC, and Sandlin Oil Corporation interests to Buyer.

(D) The parties agree to cooperate in the execution of any documents or by taking such actions as are necessary to effect the transfer of operations, including but not limited to the submission for a change of operator with the Kansas Corporation Commission.

11. **Examination of Title.** Buyer, at Buyer's sole expense, may conduct such title examination of The Interests to be purchased as Buyer deems sufficient. Any objection to defects in title to The Interests shall be made before Closing. In the event that seller of the interest in question cannot cure said defect(s) by agreement or otherwise prior to Closing, then, at Buyer's option, this Contract may be terminated as to such interest with the parties having no further obligation to one another with respect to such interest or Buyer may elect to accept such interest subject to the defect.

12. **Entire Agreement.** This Contract for Sale of Oil and Gas Lease Working Interests shall be and constitute the entire and inseparable agreement by and between Sellers and Buyer concerning the subject matter of this contract. This Contract shall not be subject to any alteration or modification except in writing, signed by all of the parties hereto, and shall inure to and be binding upon the heirs, executors, administrators, devisees, successors and assigns of the parties hereto.

13. **Governing Law.** This Contract for Sale of Oil and Gas Lease Working Interests and its validity, construction and performance shall be governed by the laws of the State of Kansas. Any claim or lawsuit arising from or relating to this Contract shall be filed and maintained in a court of competent jurisdiction in Ellis County, Kansas.

14. **Counterparts.** This Contract for Sale of Oil and Gas Lease Working Interests may be executed in counterparts (each of which shall be deemed to be an original but all of which together shall constitute one and the same contract) and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

Date 5-30-2024

Sandlin Oil Corporation.

By Kathie D. Sandlin
Kathie Sandlin, President

SELLERS

Date 5-30-24

Mikol Oil, LLC

By Larry Denning
Larry Denning, Manager

BUYER

Exhibit A

WELL NAME	API NUMBER	VALUE	STATE	COUNTY	WI	NR	TWN	RNG	SEC
Brown Etal # 1	15-163-24233	\$296,234.27	KS	ROOKS	100%	83	10 S	W	16 17 SE NE SW NE
Clark # 1	15-065-23284	\$63,069.23	KS	GRAHAM	100%	83	9 S	W	25 12 SE NE NW
Joy # 1	15-051-26376	\$130,597.91	KS	ELLIS	100%	83	12 S	W	18 14 N2 SW NW SW
Joy # 2	15-051-26421	\$183,474.13	KS	ELLIS	100%	83	12 S	W	18 14 SE NW SE NW
Karlin Lease		\$435,751.06							
Karlin #2	15-051-25887		KS	ELLIS	100%	83	12 S	W	18 15 E2 NE SW SE
Karlin #3	15-051-26116		KS	ELLIS	100%	83	12 S	W	18 15 SE SW NE SE
Karlin #4	15-051-26234		KS	ELLIS	100%	83	12 S	W	18 15 SW SW SE
Karlin E 10001	15-051-30279-		KS	ELLIS	100%	83	12 S	W	18 15 NE NW SE SE
McRae Lease		\$157,354.55							
McRae #10001	15-051-02505-		KS	ELLIS	100%	83	12 S	W	18 22 NE SE NW
McRae #2	15-051-26262		KS	ELLIS	100%	83	12 S	W	18 22 N2 SW NE NW
McRae Hardie # 1	15-051-26860	\$192,393.01	KS	ELLIS	100%	83	12 S	W	18 22 SE SE NW SW
McRae Werth # 1	15-051-26830	\$203,860.15	KS	ELLIS	100%	83	12 S	W	18 22 SE SE NE SW
Snyder # 1	15-171-20252	\$142,065.04	KS	SCOTT	100%	85	18 S	W	31 24 NW SE SW
Staab Karlin # 1	15-051-26057	\$410,268.54	KS	ELLIS	100%	82	12 S	W	18 15 SE SW SE NE
Staab Karlin Etal # 2	15-051-26657	\$399,438.47	KS	ELLIS	100%	83	12 S	W	18 15 NE NE NE SE NE
Weber Staab # 1	15-051-26638	\$77,721.68	KS	ELLIS	100%	83	12 S	W	18 15 SW SE NE NE
Werth Etal # 1	15-051-26846	\$100,655.95	KS	ELLIS	100%	83	12 S	W	18 22 SW SW SW SE
Reeder 1	0001		KS	ELLIS	100%	83	12 S	W	18 22 NE NE NW

TOTAL: \$2,792,884.00