

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: _____

Title: _____

Date: _____

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: _____

OPERATING AGREEMENT

OPERATOR: Crude Kin Oil Co., a Kansas corporation
P.O. Box 339
Louisburg, KS 66053

OWNER: Town Oil Company Sub S Corporation, a Kansas corporation

TERM: See Paragraph 6

THE LEASE: See Exhibit 1

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 shall be listed as the operator of record for the Lease with the Oil and Gas Conservation Divisions as to the Lease.

2. Liability of Operator. Operator, shall not be liable for errors of business judgment or mistakes unless such errors or mistakes result from 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.

3. Operating Expenses and Production Revenue. During the Term, all income and liabilities accrued and incurred in the operation of the Lease shall be borne exclusively by Owner. Provided however, *all production revenue shall be paid directly to Operator by all applicable crude oil purchasers* and Operator shall deduct therefrom all operating and development expenses incurred in the operation of the Lease and also Operator's customary fee for operating the Lease and distribute the net proceeds to Owner.

4. Necessary Equipment and Materials. During the Term, Operator, shall provide all labor, equipment and materials ancillary to the operating activities and be reimbursed for all equipment and materials furnished by Operator at price paid by Operator for such third party services, equipment and materials. Operator shall receive in addition to reimbursement for all costs incurred and also in addition to Operator's cost for any third party labor, equipment or materials supplied, an administrative fee at the prevailing rate set by Operator from time to time (Operator's "Fee"), for the duration of this Agreement.

5. Administrative Fee and Reimbursement. Operator's Fee shall be due on the first of every month, Operator. Operator shall pay all operation and development expenses incurred in the operation of the Lease and shall reimburse itself and collect Operator's fee from the production revenues attributable to the subject Lease each month and tender any net oil sale proceeds to Owner.

6. Term. This Agreement shall remain in full force and effect until it is terminated by either party. Provided however, that Operator shall provide written notice to Owner of its intention to terminate this Agreement at least thirty (30) prior to the proposed termination date selected by Operator.

7. 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.

8. Mining Partnership. The liability of the parties shall be several, not joint or collective. 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. Owner agrees that Operator is not assuming a fiduciary relationship to Owner in performing the terms of this Agreement, nor shall Operator owe any duty to Owner greater than the duty of good faith and fair dealing. In their relations with each other under this Agreement, the Owner 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 Owner to act in good faith in their dealings with each other with respect to activities hereunder

9. 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.

10. 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.

11. Severability. In the event that one or more of the provisions hereof shall be held to be illegal, invalid, or unenforceable, such provisions shall be deemed severable and the remaining provisions hereof shall continue in full force and effect.

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

13. 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 Coffey County, Kansas.

14. 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.

15. 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.

16. Notices. All notices permitted or required hereunder shall be deemed given upon depositing said notice in the United States mail postage prepaid addressed to the other party at the address shown above or such other address as may be subsequently designated by such party.

17. Time is of the Essence. Both parties agree that time is of the essence in this Agreement and 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.

18. 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 Operating Agreement shall be effective on the 9th day of August, 2024.

Operator:

CRUDE KIN OIL CO., a Kansas corporation

By: 

Owner:

TOWN OIL COMPANY SUB S CORPORATION,
a Kansas corporation

By: Lester Town
Lester Town President

EXHIBIT 1

The following described oil and gas lease:

LOWE LEASE

Dated: May 1, 2012
Recorded: Book 2012, Page 05501
Lessor: James E. Lowe Revocable Trust and Sandra K. Lowe Revocable Trust
Lessee: Town Oil Company Sub S Corp.
Description: Part Southwest Quarter, Section 18, Township 17S, Range 25E and containing 105 acres, more or less, Miami County, Kansas.