

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form T-1
July 2014

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: _____

Oil / Gas Purchaser: _____

Date: _____

Title: _____

Signature: _____

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

_____ is acknowledged as
the new operator and may continue to inject fluids as authorized by
Permit No.: _____ . Recommended action: _____

Date: _____
Authorized Signature

_____ is acknowledged as
the new operator of the above named lease containing the surface pit
permitted by No.: _____ .

Date: _____
Authorized Signature

DISTRICT _____ EPR _____ PRODUCTION _____ UIC _____

KANSAS CORPORATION COMMISSION
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Form KSONA-1

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**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 (House Bill 2032), 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: _____

SALE AND PURCHASE AGREEMENT

Seller: Fountainhead Resources LLC
a Kansas limited liability company
10551 Barkley St. #307
Overland Park, KS 66212

Buyer: Flinthills Oil Company LLC
A Kansas limited liability company
550 N. Lincoln Ave., Suite 408
Loveland, CO 80537

Viking Energy Partners, LLC
a Texas limited liability company
1340 S. Main St., Suite 300
Grapevine, TX 76051

Closing Date: On or Before April 15, 2019

1. **CONSIDERATION.** The supporting consideration for this agreement (the "Agreement") will be the exchange of the Purchase Price for the Property, and the mutual covenants and agreements contained herein. The parties hereto (each a "Party", and together the "Parties") stipulate and agree that said consideration is sufficient to support this Agreement.

2. **SALE OF PROPERTY.** Seller is the owner of the working interest of the oil and gas leases described in Exhibit "A" attached hereto (the "Leases"), that being the Net Revenue Interest ("NRI") in each of the Leases set forth on Exhibit "A." Seller agrees to sell 100% of the working interest (i.e. the NRI listed on Exhibit "A") of the Leases together with all of its right, title and interest in and to all rights, privileges and easements appurtenant thereto, to Buyer for the sum of One Hundred Thirty Thousand Dollars (\$130,000.00) (the "Purchase Price") including all personal property now in place on the Leases. The Leases and personal property shall hereinafter collectively be referred to as the "Property." All payments made by Seller to Buyer towards the Purchase Price shall be paid seventy-five percent (75.00%) to Fountainhead Resources LLC and twenty-five percent (25.00%) to Viking Energy Partners, LLC. All amounts payable by Buyer to Seller pursuant to this Agreement shall be payable only in United States currency, in immediately available funds.

3. **ALLOCATION OF THE PURCHASE PRICE.** The Purchase Price will be allocated as follows:

<u>DESCRIPTION OF PARTICULAR ASSETS</u>	<u>PURCHASE PRICE</u>
Sellers Working Interest in the Leases:	\$ _____
Sellers interest in all personal property, fixtures and improvements currently located upon the Leases:	\$ _____

4. **SELLER FINANCING.** On April 15, 2019 Buyer shall deliver \$10,000.00 of the Purchase Price to Seller in collected funds. Buyer shall make additional \$10,000.00 payments of the Purchase Price every three months with the first such payment being due on July 15, 2019 and subsequent payments to be due on the three-month anniversary of such date thereafter until October 15, 2020 at which time, Buyer shall deliver the entire remaining \$70,000.00 of the Purchase Price to Seller. Interest

shall not accrue upon the unpaid balance of the Purchase Price. Buyer may pay all or part of the unpaid Purchase Price at any time without any penalty. If any payment is late Seller shall deliver written notice of such deficiency to Buyer, and if Buyer fails to tender such payment within five business days after said notice given, Buyer shall forfeit any and all, right title, interest and equity in and to the leases, and Seller shall retain all moneys received prior to such date under this Agreement as liquidated damages and not as a penalty. The Parties recognize that it may be difficult or impossible to quantify the actual damages that may be sustained by Seller if this Agreement is breached and that this liquidated damages provision is a fair and equitable remedy.

5. POSSESSION AT CLOSING. During the executory period of this Agreement, Buyer shall have full and exclusive possession, control and supervision of all development and operations of the Leases for the production of oil, gas and casinghead gas; provided however, that Buyer shall not sell or remove any equipment from the leases, shall not plug any wells without Seller's written consent, and shall continuously produce and operate the Leases as a reasonable prudent operator during the executory period of this Agreement. Buyer may in its sole discretion drill additional wells, change crude oil purchasers, replace equipment and make other repairs or improvements upon the Leases. During the executory period of this Agreement, Seller shall have no right to control or otherwise stipulate to the manner of operation of the Leases except as specifically provided herein. Buyer shall pay all expenses associated with the Leases incurred as a result of Buyer's operation thereof, including both capital expenditures and operating expenses during the executory period of this Agreement. Buyer may designate the operator of the Leases with the Kansas Corporation Commission, and Buyer shall be responsible for paying all fines, performing all remediation work and ensuring that the Leases are in compliance with all applicable laws, rules and regulations. The "executory period" as that term is used in this Agreement shall mean the period of time between the Closing (as defined below) and Seller's receipt of the entire Purchase Price.

6. ASSIGNMENT AND BILL OF SALE FORM. Seller shall at Closing execute a warranty assignment (the "Assignment") conveying to Buyer 100% of the working interest representing NRI set forth on Exhibit "A" in the Leases. Said Assignment shall be in the form attached hereto as Exhibit 'B.' Seller shall at Closing execute a warranty bill of sale (the "Bill of Sale"), conveying to Buyer all personal property, to include fixtures and improvements, currently located upon the Leases and used in connection with oil and gas exploration, development or production activities thereon. Said Bill of Sale shall be in the form attached hereto as Exhibit 'B.' Said Assignment and Bill of Sale shall be held in escrow during the executory period of this Agreement and shall not be recorded until Seller has received the entire Purchase Price.

7. CLOSING. Closing shall be on or before April 15, 2019 at a time and place mutually agreeable to Buyer and Seller (the "Closing"). Seller shall execute the Assignment and Bill of Sale and the Parties shall execute the Memorandum of Agreement (the "Memorandum of Agreement") described below. The Assignment and Bill of Sale shall be placed into escrow until the entire Purchase Price has been paid. The Memorandum of Agreement shall be delivered to Buyer for recording at Closing.

8. SUBROGATION. In the event Seller becomes delinquent on payment of any obligations during the executory period of this Agreement which could adversely effect Buyers title to the Property, Buyer shall have the option but not the obligation to pay said obligations on Seller's behalf and to deduct the amount expended to pay said obligation from the unpaid Purchase Price, and to demand repayment from Seller if the amount of the unpaid Purchase Price does not exceed the amount expended by Buyer to satisfy Seller's obligation. Seller acknowledges that its title is and always will

be subordinate to the title of the Buyer and nothing herein contained will empower Seller to do any act that can, will, or may encumber the title of the Buyer.

9. **NO BUSINESS RELATIONSHIP.** Nothing in this Agreement will be deemed, held, or construed to make any Party a partner or associate of the other in the operation of the Leases, or to render any Party liable for any debts, liabilities, or obligations incurred by another Party. It is expressly understood and agreed that the relationship between the Parties hereto will always be that of vendor and vendee.

10. **SETTLEMENT OF CLAIMS.** With the prior written approval of Seller, Buyer shall have the right to compromise, settle and adjust any claim for damages which may be made by the land owner or adjoining landowners, which damage may result from any operations conducted in the developing or operation of the Leases, which Buyer shall be responsible for paying.

11. **MEMORANDUM OF AGREEMENT.** At Closing the Parties shall execute a Memorandum of Agreement. Buyer shall be entitled to file said Memorandum of Agreement of record in the office of the Register of Deeds for Franklin County, Kansas and also in the office of the Kansas Secretary of State for the purpose of providing public notice of Buyer's equitable and contractual interests in the Property.

12. **SELLER RETENTION.** Seller shall continue to operate and produce the Leases until Closing. Seller shall retain all production from said operations prior to Closing and shall pay all expenses and liabilities to the date of Closing. Seller shall sell all production above the draw down valve of all storage tanks on or about the date of Closing, therefore any oil located upon the Leases at Closing shall become the property of Buyer. All continuing services such as utilities, pumper fees and related expenses shall become on the date of Closing Buyer's liability.

13. **TIME IS OF THE ESSENCE.** It is very important to the Seller that this sale is performed in a prudent and timely manner. Time is of the essence, thus all things which are required to be done by certain dates must be done, otherwise such failure shall be deemed a material default.

14. **POSSESSION AT CLOSING.** Possession of the Leases shall be on the date of Closing.

15. **SELLER'S REPRESENTATIONS AND WARRANTIES.** This Agreement is made and entered into based upon the belief that the following representations made by Seller are true:

a. Seller is a limited liability company formed under the laws of the State of Kansas. Seller has been duly incorporated and is validly existing and in good standing under the laws of the State of Kansas, with full power and authority to own or lease its property and assets and to carry on its business as presently conducted.

b. Seller has the requisite power and authority to enter into this Agreement, to execute the Assignment referenced herein, and to perform its obligations hereunder, both of which have been duly authorized by all requisite corporate action. This Agreement creates, legal, valid and binding obligations of Seller enforceable against it in accordance with its terms

c. Seller has not incurred any liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement for which Buyer, or any of their respective interests in the Leases shall have any liability.

d. The Seller is the owner of all of the Leases, and upon Seller's receipt of the entire Purchase Price from Buyer, Seller shall convey to Buyer good and merchantable title to the Leases free and clear of all security interests, liens, encumbrances, equities and claims. Seller is the owner of all personal property, fixtures and improvements to be conveyed as provided herein, upon Seller's receipt of the entire Purchase Price from Buyer, free of any encumbrances, obligations or restrictions. The title to all personal property, fixtures and improvements is such that upon Seller's receipt of the entire Purchase Price from Buyer, the title to all of the personal property and fixtures will be free of any encumbrances of any kind.

16. **BUYER'S REPRESENTATIONS AND WARRANTIES.** This Agreement is made and entered into based upon the belief that the following representations made by Buyer are true:

a. Buyer is a limited liability company formed under the laws of the State of Kansas. Buyer has been duly incorporated and is validly existing and in good standing under the laws of the State of Kansas, with full power and authority to own or lease its property and assets and to carry on its business as presently conducted.

b. Buyer has the requisite power and authority to enter into this Agreement, to execute the Assignment referenced herein, and to perform its obligations hereunder. This Agreement creates, legal, valid and binding obligations of Buyer enforceable against it in accordance with its terms

c. Buyer has not incurred any liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement for which Seller shall have any liability.

17. **DISCLAIMERS.** The Parties hereby stipulate and agree that no Party has made any representations or warranties of any kind to the other which are not expressly included herein. The Parties further stipulate and agree that none of them have entered into this Agreement or changed their respective positions based upon any representations or warranties made by the other Party which are not expressly included herein.

18. **TAXES.** Seller shall pay all personal property, ad valorem and other property taxes for the 2018 and prior tax periods, all personal property, ad valorem and other property taxes attributable to the working interest of the Leases shall be prorated to the date of Closing and Buyer shall pay all personal property, ad valorem and other property taxes attributable to the working interest of the Leases for the 2019 and later tax periods.

19. **MISCELLANEOUS.**

A. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors, heirs, administrator, and assigns. Either Buyer or Seller may assign all or any portion of their rights hereunder to a third party with written permission from the Parties.

B. **AMENDMENTS.** This Agreement may be amended or modified only by a written instrument executed by the Seller and the Buyer.

C. GOVERNING LAW. This Agreement shall be governed by, construed and enforced in accordance with the laws of Kansas. The venue of any action shall be in Miami County, Kansas.

D. MERGER OF PRIOR AGREEMENTS. This Agreement, as may be amended, and the exhibits attached hereto constitute the entire Agreement between Buyer and Seller with respect to the purchase and sale of the Leases and supersede all prior Agreements and understandings between the Parties hereto relating to the subject matter hereof.

E. CONSENT OR WAIVER. No consent or waiver, express or implied, by any Party to or of any breach or default by any 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.

F. COUNTERPARTS AND ELECTRONIC SIGNATURES. This Agreement may be executed in counterparts, and may be executed by way of electronic signature including DocuSign, and all counterparts shall be considered part of one Agreement binding on all Parties hereto.

G. CAPTIONS. Captions herein are for convenience of reference only and in no way define, limit, or expand the scope or intent of this Agreement.

H. 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.

I. FORCE MAJEURE. If any Party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Agreement, other than the obligation to make money payments, that Party shall give prompt written notice to the other Party of the force majeure with reasonably full particulars concerning it; thereupon, the obligations of the Party giving the notice, so far as it is affected by the force majeure, shall be suspended during, but no longer than, the continuance of the force majeure. The affected Party may use all possible diligence to remove the force majeure as quickly as possible.

J. JOINT DRAFTING. The Parties shall be considered joint drafters of this Agreement so as not to construe this contract against one Party as drafter more than the other.

K. SURVIVAL OF TERMS. The terms of this Agreement shall survive Closing and shall not merge with the Assignment and Bill of Sale referenced herein.

L. EFFECTIVE DATE. This Agreement shall be effective as of April 1, 2019, regardless of the date on which it is actually executed by the Parties.

[Signature Page Follows]

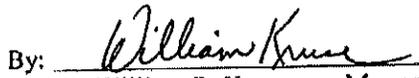
IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date opposite the signatures below to be effective on the date last signed.

SELLER:

FOUNTAINHEAD RESOURCES, LLC.

By: 
Mark Haas *Managing Member*
Managing Member

VIKING ENERGY PARTNERS, LLC.

By: 
William R. Kruse Managing Member

All payments to Viking Energy should be sent via the following wire instructions:

BANK: AMARILLO NATIONAL BANK
ABA: 111300958
ACCOUNT NAME: VIKING ENERGY PARTNERS, LLC
ACCOUNT NO.: 156558

BUYER:

FLINTHILLS OIL COMPANY, LLC

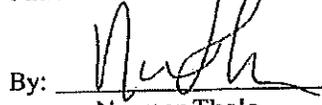
By: 
Norman Thole Managing Member

EXHIBIT "A"

The following described oil and gas leases:

ORSER LEASE

Dated: June 1, 1979
Recorded: Book 91, Page 427
Lessors: Carl E. Orser, a single man, and Edward O. Oversby
Lessee: Lawrence O. Tenk
Description: The East Half of the Northwest Quarter (E/2 NW/4) and the Southwest Quarter of the Northwest Quarter (SW/4 NW/4), except that part taken or used for public road purposes, in Section 8, Township 18 South, Range 21 East, and containing 120 acres, more or less, Franklin County, Kansas.
Interest: 100% of the working interest representing not less than 80.5% NRI

NOE LEASE

Dated: August 11, 1999
Recorded: Misc. Book 188, Page 193
Lessors: Daryl L. Stottlemire and Cherrine F. Stottlemire
Lessee: Tailwater, Inc., an Oklahoma corporation
Description: Originally covering the The Northeast Quarter (NE/4) of Section Five (5), Township Eighteen (18), Range Twenty-one (21), Franklin County, Kansas
Interest: 100% of the working interest representing not less than 84% NRI

ROSEBERRY A LEASE

Dated: March 29, 1979
Recorded: Book 91 Misc., Page 227
Lessor: Fern Roseberry; R.E. Roseberry and Eileen Roseberry, his wife; and Maxine Baker, single
Lessee: Chas A. Hardesty
Description: The Southeast ¼ of Section 6, Township 18, Range 21, containing 160 acres, more or less, Franklin County, Kansas
Interest: 100% of the working interest representing not less than 82% NRI

STATE OF KANSAS

COUNTY OF JOHNSON

The undersigned, Norman Thole, being duly sworn hereby deposes and says:

Flinthills Oil Company, LLC is the owner of the Orser Lease and the Noe Lease in Franklin County,

Kansas: Described as follows:

ORSER LEASE

Dated: June 1, 1979
Recorded: Book 91, Page 427
Lessors: Carl E. Orser, a single man, and Edward O. Oversby
Lessee: Lawrence O. Tenk
Description: The East Half of the Northwest Quarter (E/2 NW/4) and the Southwest Quarter of the Northwest Quarter (SW/4 NW/4), except that part taken or used for public road purposes, in Section 8, Township 18 South, Range 21 East, and containing 120 acres, more or less, Franklin County, Kansas.
Interest: 100% of the working interest representing not less than 80.5% NRI

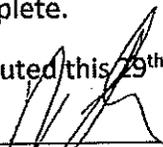
NOE LEASE

Dated: August 11, 1999
Recorded: Misc. Book 188, Page 193
LessoRs: Daryl L. Stottlemire and Cherrine F. Stottlemire
Lessee: Tailwater, Inc., an Oklahoma corporation
Description: originally covering the The Northeast Quarter (NE/4) of Section Five (5), Township Eighteen (18), Range Twenty-one (21), Franklin County, Kansas
Interest: 100% of the working interest representing not less than 84% NRI

Flinthills Oil Company, LLC will have Prairie Oil, LLC as operator on the leases outlined on the Change of Operator form effective 4/15/2019.

I declare that to the best of my knowledge and belief the affirmation herein is true, correct and complete.

Executed this 29th of April 2019



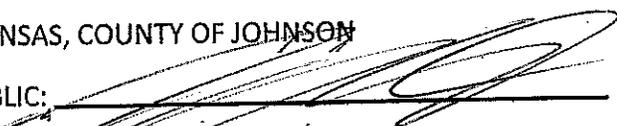
Norman Thole Managing Member

NOTARY ACKNOWLEDGEMENT

STATE OF KANSAS, COUNTY OF JOHNSON

NOTARY PUBLIC:

MY COMMISSION EXPIRES:



7/8/2019

