

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: _____

Date: _____

Signature: _____

New Operator's License No. _____

Contact Person: _____

New Operator's Name & Address: _____

Phone: _____

Title: _____

Oil / Gas Purchaser: _____

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 _____

KDOR Lease No.: _____

[illegible]

* 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.

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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: _____

New Purchaser – Indian Oil Co. KS#31938

P.O. Box 209

2507 SE US 160 Hwy

Medicine Lodge, KS 67104-0209

Email – office@indianoilco.com

Phone – 620-886-3763

Contact – Anthony M. Farrar (president)

BILL OF SALE

THIS BILL OF SALE is made and entered into this 19th day of September, 2019, by and between **Indian Oil Co., Inc.**, a Kansas Corporation, whose address is **P.O. Box 209, Medicine Lodge, KS 67104**, hereinafter referred to as "**Indian**", and **R.F. Hembree Oil, LLC** whose address is **P.O. Box 542, Ness City, KS 67560; Robert F. Hembree & Phyllis M. Hembree, Trustees of the Hembree Family Trust dated November 18, 2005; Robert F. Hembree and Phyllis M. Hembree, husband and wife**, hereinafter collectively referred to as "**Hembree**".

WITNESSETH:

WHEREAS, **Hembree** is the owner and operator of interest in the oil and gas Properties further described in **Exhibit 'A'**, attached hereto, including without limitation, any and all overriding royalty interests, royalty interests, non-working or carried interests, operating rights, and other rights and interests in the oil, gas and other mineral leases described, together with lands covered thereby or pooled, communitized or unitized therewith, and all hydrocarbons that may be produced and saved from the Properties (collectively called "lease(s)"; all easements, rights-of-way, servitudes, surface leases, surface use agreements, water disposal or handling agreements, agreements pertaining to water wells, and other rights or agreements related to the use of the surface and subsurface, in each case to the extent used or held for use in connection with the ownership, use or operation of the Properties, recorded or unrecorded (collectively called "surface agreements"); to the extent assignable or transferable, all permits, licenses, consents, approvals, and other similar rights and privileges used or held, in each case to the extent used or held for use in connection with the ownership, use or operation of the Properties (collectively called "permits"); all wells located on the Leases, whether producing or shut in, and whether for production, injection or disposal (collectively called "wells"); and all equipment, machinery, fixtures, spare parts, inventory, and other personal property used or held for use in connection with the operation of the Properties including production, treatment, compression, gathering, transportation, sale or disposal (collectively called "equipment"); all files, records, and data relating to the Properties including books, records, reports, manuals, files, title documents, correspondence, records of production and maintenance, revenue, sales, expenses, warranties, lease files, land files, well files, division order files, abstracts, title opinions, assignments, reports, property records, property tax records, core data, hydrocarbon analysis, seismic data and analysis, well logs, mud logs, field studies, geologic maps and interpretations, analyses, and reports related to Properties (collectively called "records"); and

WHEREAS, **Indian** desires to purchase from **Hembree** all of the interest listed in **Exhibit 'A'**; and

WHEREAS, the parties desire to place their agreement for the purchase of working interest by **Indian** from **Hembree** in writing to avoid any future misunderstandings.


NOW THEREFORE, in consideration of the mutual covenants, stipulations and agreements hereinafter contained, the parties hereto agree as follows:

1. **Indian** shall pay **Hembree** a sum of *******REDACTED** *****
for consideration of the assignment of the properties, attached hereto.
2. **Hembree** shall deliver an Assignment to **Indian** which is executed by all parties necessary to convey all interest listed in Exhibit "A".
3. **Hembree** represents and warrants to **Indian** its title to the Assets is marketable title, free and clear of all liens and encumbrances, and all Net Revenue Interest is as represented.
4. **Hembree** represents and warrants to **Indian** that there are no know environmental issues associated with said Properties. **Hembree** hereby agrees to defend, indemnify, and hold harmless **Indian** from environmental issues related to the Properties that originated before the effective date.
5. **Hembree** has paid the 2018 property taxes on said properties. 2019 property taxes shall be pro-rated based on the months of ownership, such that Hembree pays 2/3 and Indian shall pay 1/3. Settlement shall be made at closing based on 2018 taxes if 2019 tax statements are not yet available.
6. All existing wellbores, disposals, pipeline, and equipment, associated agreements and rights-of-way are included in this sale and sold on an as is where is basis.

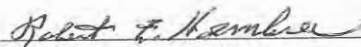
7. The effective date of this Agreement shall be **September 1, 2019**. Any expenses incurred prior to the effective date shall be the responsibility of **Hembree**. All proceeds from oil and gas sold prior to the effective date are the property of **Hembree**. All oil above the draw-off (1'4") that remains in the tanks as of the effective date shall be sold to **Indian** for the August 2019 price per the existing CHS oil contract; payment for said oil shall be made to **Hembree** at closing.
8. **Hembree** represents and warrants to **Indian** that all royalties, overriding royalties, working interests, carried interest, production payments, severance tax, KCC tax, KOGRF fees, and all other burdens on or deductions for the proceeds of production, in addition to all operating expenses, improvements, service, maintenance and any other expenses of or relating to the properties have been paid in full and accounted for properly. **Hembree** hereby agrees to defend, indemnify, and hold harmless **Indian** of all obligations and liabilities pertaining to the Properties that originated prior to the effective date.
9. The closing date for this agreement shall be **September 23rd, 2019**.
10. This memorandum of agreement shall be binding upon the parties hereto, their heirs, successors, and assigns.

INDIAN OIL CO., INC.

ROBERT F. HEMBREE OIL, LLC

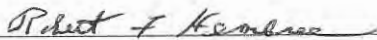


Anthony Farrar, President

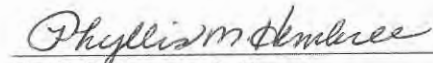


Robert F. Hembree, President

HEMBREE FAMILY TRUST DATED NOVEMBER 18, 2005




Robert F. Hembree, Co-Trustee

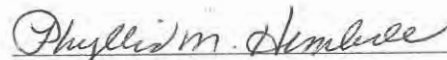


Phyllis M. Hembree, Co-Trustee

ROBERT F. HEMBREE & PHYLLIS M. HEMBREE, HUSBAND AND WIFE, INDIVIDUALLY



Robert F. Hembree



Phyllis M. Hembree

EXHIBIT 'A'
Hembbree to Indian Oil

Lease Name	Lessor	Lessee	Lease Date	Legal Description	County	Recording	NRI	Well API #'s	Acreage
Casley	Mary J. Casley, a widow	Joe E. Denham	7/29/1944	NW/4 33-21S-35W	Kearny	Book 11, Page 368	0.87500000	15-093-20366	1
H&S	Robert H. Hermion	Robert F. Hembbree & Phyllis M. Hembbree, Co-Trustees of the Hembbree Family Trust dated November 18, 2005	1/4/2014	N/2 SE/4 34-18S-24W	Ness	Book 369, Page 523	0.87500000	15-135-25797	80
Maier SWD		0	0 UNFILED	SW SW 25-18S-24W	Ness	Book NA, Page NA	0.00000000	15-135-00443-0001	1
McMinn McWhirter Parker East	Harland S. McMinn & Geraldine McMinn, his wife J.L. McWhirter & Freeda McWhirter, his wife Alfred Parker & Juanita K. Parker Living Trust under Agreement dated July 24, 2001; Marion D. Pember & Carol A. Pember Living Trust under Agreement dated April 15, 1996.	Double Eagle Exploration, Inc. Donald C. Stawson Robert F. Hembbree & Phyllis M. Hembbree, Co-Trustees of the Hembbree Family Trust dated November 18, 2005	6/2/1983 N/2 NE/4 3-16S-25W 7/25/1977 SW/4 10-19S-29W 2/21/2011 NE/4 25-18S-24W	Ness Lane Ness	Book 175, Page 45 Book 42, Page 107 Book 339, Page 195 & 198	0.80589300 0.83398430 0.87500000 24935, 25029, 25389	15-135-22670, 15135-22188 15-101-20467; 15-101-20990 15-135-24780, 24841, 24921, 24935, 25029, 25389	80 160 160	
Parker West	Glen A. Pember Revocable Trust #1 dated March 17, 1976	Robert F. Hembbree	4/10/2008 NW/4 25-18S-24W	Ness	Book 315, Page 535	0.87500000	15-135-26017		160
Petersilie	Douglas Petersilie and Jean Petersilie, his wife; Douglas Petersilie Trustee under the Trust Agreement dated April 26, 1978	G. R. Dillard	5/25/1979 SE/4 12-20S-24W	Ness	Book 138, Page 275	0.82000001	15-135-21876; 25461, 25632, 25765		160
Schwartzkopf J	Jane Schwartzkopf, Trustee of the Jane Schwartzkopf Trust dtd December 4, 1997	The Hembbree Family Trust dated November 18, 2005	6/1/2011 NW/4	Ness	Book 343, Page 85	0.87500000	15-135-25296, 25688, 25995		160
Schwartzkopf A	Alfred G. Schwartzkopf	The Hembbree Family Trust dated November 18, 2005	6/1/2011 NE/4 34-18S-24W	Ness	Book 342, Page 279	0.87500000	15-135-25366, 25788, 25932		160
Schwartzkopf K	Kirk W. Schwartzkopf & Robin A. Schwartzkopf, husband and wife	The Hembbree Family Trust dated November 18, 2005	12/30/2013 SW/4 35-18S-24W	Ness	Book 369, Page 280	0.87500000	15-135-25799		160
Waterhouse	Robert M. Waterhouse & Grace E. Waterhouse, his wife	MA&C Oil Company	1/3/1973 SW/4 NW/4 22-21S-21W insofar as lease covers	Hodgeman	Book 26, Page 313	0.81250000	15-083-20304		40
Wege, A'	Helene Wege & Harry Wege, her husband	Burneta Hamilton formerly as Burneta Adair, Executive of the Estate of Edgar Harry Adair, Sr.	8/15/1968 NE/4 20-21S-24W insofar as lease covers NE/4 except 1.47383 tract of land beginning at the Northwest corner of the NE/4 of 20-21-24 West of the 6th PM, Hodgeman County, Kansas; thence South a distance of 214 feet; thence East a distance of 300 feet; thence North a distance of 214 feet; to a point on the North line of the NE/4 a distance of 300 feet to the prior point of beginning containing 1.47383 acres more or less.	Hodgeman	Book 21, Page 154	0.86132812	15-083-20090, 20123, 20139		158.526