

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 2014

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 (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: _____

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF KANSAS)
) §
COUNTY OF CLARK)

This Assignment, Bill of Sale and Conveyance (this "Assignment") dated effective as of April 1, 2021, at 12:00 a.m. Central Standard Time (the "Effective Time") is made by **Lori L. Ross, President**, for the **Jeffery Energy Corporation**, with a notice address of Box 796, Meade, Kansas 67864, ("Assignor") and by **James W. McKinney, President** for **Red Hills Resources Inc.**, a Kansas corporation, with a notice address of PO Box 132, Englewood, Kansas 67840. ("Assignee").

For adequate consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby **GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER** unto Assignee, subject to the terms and reservations hereof, all of Assignor's interest in and to the following property and rights (the "Property").

- (1) All of Assignor's undivided right, title and interest (including all working interests, net revenue interests, farmout or farmin rights, royalty or other non-working or carried interests, operating rights and other mineral rights of every nature) in and to the Oil, Gas and Mineral (or Oil and Gas) Lease(s) described in Exhibit "A", as extended or amended, (the "Leases"), insofar as the Lease(s) cover the lands described in said Exhibit "A".
- (2) All of Assignor's undivided right, title and interest in and to all presently existing unitization and pooling agreements and statutorily, judicially or administratively created drilling, spacing and/or production units, whether recorded or unrecorded, which relate to the Leases, and all of Assignor's interest in and to the Property covered or units created thereby which are attributable to the Leases;
- (3) All of Assignor's undivided right, title and interest in and to all presently existing and valid oil, casinghead gas and gas sales, operating, farmout, pooling, purchase, exchange and processing contracts and agreements, partnership and joint venture agreements and any other contracts, agreements and instruments which pertain to the Leases or any interests pooled or unitized therewith;
- (4) All of Assignor's undivided interests in and to all oil and gas and associated hydrocarbons produced or stored from the Leases or any interests pooled or unitized therewith from and after the Effective Time;
- (5) All of Assignor's undivided right, title and interest in and to all easements, permits, licenses, servitudes, rights of way, pipelines, power lines, telephone and telegraph lines, communications facilities and all other rights and appurtenances situated on or used in connection with the Leases or any interests pooled or unitized therewith;
- (6) All of Assignor's rights and obligations as to gas imbalances, if any, attributable to the Property as of the Effective Time; and
- (7) All of Assignor's undivided right, title and interest in and to all tangible personal property, equipment, fixtures and improvements including, but not by way of limitation, all oil and gas wells, injection wells, salt water disposal facilities, well heads, casing, tubing, pumps, motors, gauges, valves, heater treaters, gathering lines, flow lines, gas lines, gas processing and compression facilities, (specifically including the existing processing and compression facility), water lines, vessels, tanks, boilers, separators, fixtures, platforms, machinery, tools, treating equipment, compressors and other equipment, transportation facilities and other appurtenances situated upon the lands covered by the Leases conveyed herein or any land or lands pooled or unitized therewith or used or obtained in connection with the production, treating, storing or transportation of oil, gas and other hydrocarbons or minerals therefrom.

TO HAVE AND TO HOLD all and singular such Properties together with all rights, titles, interests, estates, remedies, powers and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject, to the following matters:

- (a) all Lessors' royalties, overriding royalties and other burdens, reversionary interests and similar burdens as shown of record;
- (b) all easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations;
- (c) the terms and conditions of the Leases and other agreements affecting the Property;
- (d) all rights reserved to or vested in any municipality or governmental, tribal, statutory or public authority to control or regulate the Property in any manner, and all applicable laws, rules and orders of governmental and tribal authority; and
- (e) all gas contracts, crude oil purchase contracts, operating agreements, division orders and transfer orders affecting the Property.

Assignor also hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable, the benefit of, and the right to enforce, the covenants and warranties, if any, which Assignor is entitled to enforce with respect to Assignor's predecessors in title to the Property.

Assignee hereby assumes and shall be responsible for and comply with all duties and obligations, express or implied, arising on or after the Effective Time with respect to the Property, including, without limitation, (1) those arising under or by virtue of any lease, contract, agreement, document, permit, law, statute, rule, regulation or order of any governmental authority or court (specifically including, without limitation, any governmental request or other requirement to plug, re-plug or abandon any well of whatsoever type, status or classification, or take any clean-up, remedial or other action with respect to the Property), (2) any obligations related to joint interest billing amounts invoiced by the operators of the Property and attributable to periods of time after the Effective Time, (3) any gas overproduction, regardless of the period of production, (4) preferential rights to purchase and (5) third party consents. In addition, Assignee hereby assumes and shall be responsible for and pay all claims affecting or arising, directly or indirectly, at any time in connection with the Property for environmental cleanup, remediation, or compliance, or for any other relief, arising directly or indirectly from or incident to, the use, occupation, operation, maintenance or abandonment of or production from the Property, or condition of the Property, whether latent or patent, including, without limitation, contamination of Property or premises with NORM, and whether or not arising solely from or contributed to by the negligence in any form, whether active or passive, or of any kind or nature, of Assignor or its predecessors in title or their respective agents, employees or contractors; and shall defend, indemnify and hold Assignor harmless from any and all claims arising, asserted or due at any time in connection with the foregoing.

Except as otherwise provided hereinabove, it is expressly understood and agreed that (i) Assignor shall be responsible for, and shall indemnify and hold Assignee harmless from, all claims, costs, expenses and liabilities which arise or accrue prior to the Effective Time with respect to the Property; (ii) Assignee shall be responsible for, and shall indemnify and hold Assignor harmless from, all claims, costs, expenses and liabilities which arise or accrue after the Effective time with respect to the portion of the Property assigned hereunder; (iii) Assignor shall be entitled to receive all revenues attributable to oil, gas or hydrocarbons produced from the Property prior to the Effective Time; and (iv) Assignee shall be entitled to receive all revenues attributable to oil, gas or other hydrocarbons produced from the portion of the Property assigned hereunder to Assignee after the Effective Time.

All equipment and other personal property forming any part of the Property is hereby transferred subject to normal wear and tear and without warranties of any kind whatsoever, whether expressed or implied, and are sold "AS IS AND WITH ALL FAULTS AND DEFECTS" and "WITH NO WARRANTY AS TO MERCHANTABILITY, FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE".

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE IS MADE (i) WITHOUT ANY WARRANTY OR REPRESENTATION OF TITLE, EITHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, (ii) WITHOUT ANY EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION AS TO THE CONDITION, QUANTITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OR MERCHANTABILITY OF ANY OF THE PROPERTY OR THEIR FITNESS FOR ANY PURPOSE; AND (iii) WITHOUT ANY OTHER EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION WHATSOEVER.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this instrument on the date of the acknowledgments annexed hereto, but effective for all purposes as of the Effective Time.

ASSIGNOR:

JEFFERY ENERGY CORPORATION

A Kansas Corporation

By: Lori L. Ross
Lori L. Ross, President

ASSIGNEE:

Red Hills Resources Inc

A Kansas Corporation

By: James W. McKinney
James W. McKinney, President

ACKNOWLEDGMENT

STATE OF Kansas)
) §
COUNTY OF MEADE)

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared **Lori L. Ross, President**, of the **Jeffery Energy Corporation**, a Kansas Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of April, 2021.

(Seal)



Debby Reimer
Notary Public

My Commission Expires: 1-5-24

My Commission No: _____

ACKNOWLEDGMENT

STATE OF KANSAS)
) §
COUNTY OF MEADE)

Before me, the undersigned, a Notary Public in and for said County and State, on this day personally appeared **James W. McKinney, President of Red Hills Resources Inc.**, a Kansas corporation, known to me to be the persons whose name are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of April, 2021.

(Seal)



Debby Reimer
Notary Public

My Commission Expires: 1-5-24

My Commission No: _____

EXHIBIT "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance from Jeffery Energy Corporation to Red Hills Resources Inc., effective April 1, 2021.

Lease State County Well
KS CLARK Berns A1

Lessor: Arnold Berns, Sr. and Marion Berns, his wife
Lessee: Northern Natural Gas Producing Company
Lease Date: August 5, 1953
Recorded: Book 18 Page 229
Legal Desc: South Half of Northwest Quarter (S/2 NW/4) and North Half of Southwest Quarter (N/2 SW/4) of Section 17, Township 34 South, Range 24 West of the 6th P.M., Clark County, Kansas.

Lessor: Arnold Berns, Sr. and Marion Berns, his wife
Lessee: Northern Natural Gas Producing Company
Lease Date: August 5, 1953
Recorded: Book 18 Page 230
Legal Desc: Southwest Quarter of the Northeast Quarter (SW/4 NE/4) and Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of Section 17, Township 34 South, Range 24 West of the 6th P.M., Clark County, Kansas.

Lessor: Arnold Berns, Sr. and Marion Berns, his wife
Lessee: Northern Natural Gas Producing Company
Lease Date: August 5, 1953
Recorded: Book 18 Page 231
Legal Desc: Southeast Quarter (SE/4) Section 17, Township 34 South, Range 24 West Clark County, Kansas

Lessor: Arnold Berns, Sr. and Marion Berns, his wife
Lessee: Northern Natural Gas Producing Company
Lease Date: August 5, 1953
Recorded: Book 18 Page 242
Legal Desc: Southeast Quarter of the Northeast Quarter (SE/4 NE/4) and the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 17, Township 34 South, Range 24 West, Clark County, Kansas.

Lessor: The Federal Land Bank, Wichita, Kansas
Lessee: J. D. Long
Lease Date: October 12, 1950
Recorded: Book 12 Page 256
Legal Desc: North Half of the North Half (N/2 N/2) of Section 17, Township 34 South, Range 24 West, Clark County, Kansas and other land not applicable.

Lessor: The Federal Land Bank, Wichita, Kansas
Lessee: J. D. Long
Lease Date: October 12, 1950
Recorded: Book 12 Page 258
Legal Desc: South Half Northwest Quarter(S/2 NW/4); North Half Southwest Quarter (N/2 SW/4); Southeast Quarter Southwest Quarter (SE/ SW/4); Southwest Quarter Northeast Quarter (SW/4 NE/4); Southeast Quarter (SE/4) of Section 17, Township 34 South, Range 24 West, Clark County, Kansas and other land not applicable.

Lessor: Ralph W. Gardiner and Muriel G Gardiner, husband and wife
Lessee: Max Cohen
Lease Date: September 11, 1952
Recorded: Book 14 Page 549
Legal Desc: North Half of the Northeast Quarter (N/2 NE/4) and North Half of the Northwest Quarter (N/2 NW/4) of Section 17, Township 34 South, Range 24 West, Clark County, Kansas and other land not applicable.



PHOTOCOPIED

STATE OF KANSAS, CLARK COUNTY } This instrument was filed for Record on 4/7/2021 at 3:24 PM and duly recorded Book 149 Page 353 Fees \$72.00

Brenda Ketron
Brenda Ketron, Register Of Deeds

Melissa Cramer - Deputy

END OF EXHIBIT "A"