

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: _____

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

_____ is acknowledged as
the new operator of the above named lease containing the surface pit

Permit No.: _____ . Recommended action: _____

permitted by No.: _____ .

Date: _____

Date: _____

Authorized Signature

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: _____

AGREEMENT FOR PURCHASE OF OIL AND GAS LEASEHOLD INTERESTS

THIS AGREEMENT made and entered into this 3rd day of December, 2024, by and between **Patterson Energy, LLC** (“Seller”), and **Ace Oil Company** (“Buyer”), collectively the “Parties.”

WHEREAS, Seller desires to sell to Buyer and Buyer desires to purchase from Seller, on the terms and subject to the conditions set forth in this Agreement all interest that Seller is acquiring from Citation Oil & Gas Corp. (“Citation”) in oil and gas leases located in Russell County, Kansas, as more particularly described in Exhibit “A” (“Leases”). For purposes of this Agreement, Leases shall include an interest in the equipment and inventory associated with operating said Leases and situated on the Leases, including but not limited to wellheads, tanks, pumps, compressors, separators, heater treaters, valves, fittings, equipment, machinery, fixtures, flowlines, pipelines, platforms, tubular goods, materials, tools and supplies associated with the leasehold interests.

NOW THEREFORE in consideration of the premises and mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **Purchase.** Buyer agrees to purchase from Seller, all interest in the Leases which Seller is acquiring from Citation, along with all interest acquired from Citation in the equipment and inventory associated with operating said Leases and situated on the Leases, subject to the landowner’s royalty and the overriding royalties.

2. **Purchase Price.** In consideration for sale of the Leases, the Parties agree that the purchase price for the Lease shall be \$2,800,000 (“Purchase Price”). The Parties acknowledge that Buyer has already tendered \$300,000.00 to Seller as a down payment for the Leases and that the total remaining balance due on the Purchase Price is \$2,500,000.00 (“Balance Payment”). Buyer agrees that it shall tender the Balance Payment to Seller on or before December 30, 2024.

3. **Title.** Seller agrees that it will grant to Buyer the Special Warranty of Title given to it by Citation, as further defined in that certain Letter Agreement, dated November 21, 2024, between Seller and Citation. Seller further agrees that it will not mortgage or assign the Leases prior to the Closing Date and that the Leases will be free and clear of all mortgages, deeds of trust, and other similar liens created by, through or under Seller. The Parties further agree that Seller has not examined title to the Leases and that Buyer shall be solely responsible for said examination of title.

4. **Closing.** The Parties agree that this transaction shall be closed on or before January 1, 2025 (“Closing Date”). At the time of closing, Seller shall deliver to Buyer, assignments of all interest in the Leases, along with all documents necessary to transfer operations of the Leases to Seller.

5. **Time is of the Essence.** The Parties agree that time is of the essence with respect to this Agreement. Specifically, Buyer recognizes and agrees that Seller is purchasing the Leases from Citation as part of a larger transaction and that as a result, the Balance Payment is necessary for Seller to complete said transaction. As such, Buyer agrees that it will promptly tender the Balance Payment to ensure that it is available to Seller to complete its transaction with Citation.

6. **Exercise of Option.** The Parties agree that this Agreement shall constitute an exercise of the option granted by Seller to Buyer in that certain Letter Agreement, dated October, 2024, and that this Agreement shall supersede and replace said Letter Agreement.

7. **Post-Closing.** Seller agrees that it shall pay all post-closing costs associated with the Leases which are owed to Citation and shall receive all post-closing revenues associated with the Leases which are paid by Citation. After settlement is made with Citation, Seller shall provide Buyer a copy of the final settlement statement prepared by Citation which pertains to the Leases. Upon receipt of said statement, Seller agrees that it will tender to Buyer all revenues received from Citation and Buyer agrees that it shall make payment to Seller for all expenses paid to Citation which pertain to the Leases. Seller further agrees that it shall deliver to Buyer all files associated or pertaining to the Leases which it receives from Citation.

8. **Governing Law.** This Agreement shall be governed and interpreted under the laws of the State of Kansas. The mandatory exclusive venue for any judicial proceeding permitted in this Agreement is the state courts of competent jurisdiction in Ellis County, Kansas. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction.

9. **Entire Agreement.** This Agreement constitutes the entire agreement between Buyer and Seller with respect to the transactions contemplated herein and supersedes all prior oral or written agreements.

10. **Survival.** The parties understand and agree that all representations, warranties and indemnifications of the parties contained herein shall survive for a period of twelve (12) months after the Closing Date.

11. **Further Cooperation.** After closing each party shall execute, acknowledge and deliver all documents and take all such acts, which from time to time, may reasonably be requested by the other party in order to carry out the purposes of this Agreement.

12. **Counterparts.** This Agreement may be executed in one or more counterparts with the same effect as if all signatures of the Parties were on the same document but in such event each counterpart shall constitute an original, and all of such counterparts shall constitute one Agreement.

13. **Assignment.** Buyer shall not have the right to assign the rights granted in this Agreement without the consent or approval of Seller.

14. **Binder.** This Agreement shall extend to and be binding upon the successors and assigns of the Parties.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Agreement effective on the day first above written.

BUYER:

Ace Oil Company

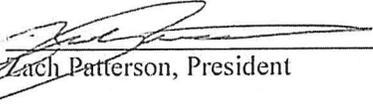
by: 

Printed Name: Shawn D. Eggen

Title: President

SELLER:

Patterson Energy, LLC

by: 

Zach Patterson, President

Exhibit "A" – Leases

1. Amelia	-	6-14S-14W
2. Fred Carroll	-	18-14S-14W
3. Staudinger "A"	-	26-15S-12W
4. Roesner	-	9-15S-13W
5. Reich B (non-op)	-	21-11S-15W
6. Whitson (non-op)	-	16-11S-15W

ELIZABETH GILMORE

Computer

Numerical 12-13-14

Misc. _____



ASSIGNMENT OF OIL AND GAS LEASE

WHEREAS, **Patterson Energy, LLC** ("Assignor") is the owner of: (a) the oil and gas leases described in Exhibit "A" ("Leases"); (b) the oil and gas wells described in Exhibit "B" ("Wells"); and (c) the agreements described in Exhibit "C" ("Agreements"), all being located in Russell County, Kansas.

NOW THEREFORE, in consideration of the exchange of One Dollar (\$1.00) and other good and valuable consideration, of which the receipt and sufficiency is hereby acknowledged, Assignor does hereby assign, sell, transfer and convey to **Shawn D. Evans, Inc., d/b/a Ace Oil Company**, whose address is **18529 Walters Road, Russell, KS 67665**, all Assignor's interest in the Leases, Wells, and Agreements, together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith, and subject to all royalty and overriding royalty interests as the same appear of record:

Special Warranty of Title. Assignor warrants title to the Leases, Wells, and Agreements to Assignee, its successors and assigns, against all persons claiming or to claim the same or any part thereof by, though, or under Assignor, but not otherwise. EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE, ASSIGNOR MAKES NO, AND EXPRESSLY DISCLAIMS AND NEGATES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED AS TO TITLE TO ANY OF THE LEASES, WELLS, AND AGREEMENTS. Furthermore, Assignor hereby assigns to Assignee all rights, claims, and causes of action on title warranties given or made to Assignor by Citation 1987-II Investment LLC, a Delaware Limited Liability Company, Citation 2004 Investment LLC, a Delaware limited liability company, and Citation Oil & Gas Corp., a Delaware corporation, to the extent that Assignor may legally transfer such rights.

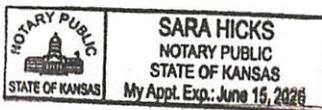
Executed this *3rd* day of January, 2025, but effective as of January 1, 2025.

Patterson Energy, LLC

By: *[Signature]*
Zach Patterson, President

STATE OF KANSAS, COUNTY OF ELLIS, ss:

Acknowledged before me on the *3rd* day of January, 2025, by Zach Patterson, President of Patterson Energy, LLC.



Appointment Expires

[Signature]
Notary Public

Exhibit "A" – Leases

<u>Lease</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Date</u>	<u>Book</u>	<u>Page</u>	<u>Legal</u>	<u>S</u>	<u>T</u>	<u>R</u>	<u>County</u>	<u>State</u>
Amelia	Peter Boxberger Jr et al	Max Kirk	9/11/1934	25	330	W/2 SW/4	6	14	14	Russell	KS
Staudinger A	Carl Staudinger et ux	Birmingham-Bartlett Drilling Co.	11/4/1960	103	93	NW/4	26	15	12	Russell	KS
Fred Carroll	C W Shaffer et al	S T Jocelyn	11/7/1934	25	224	NE/4	18	14	14	Russell	KS
Fred Carroll	Fred Carroll Trustee et al	Phillips Petroleum Company	8/31/1934	24	165	NE/4	18	14	14	Russell	KS
Fred Carroll	Carrie L Carroll et al	Phillips Petroleum Company	8/31/1934	24	253	NE/4	18	14	14	Russell	KS
Fred Carroll	Fred Carroll Trustee et al	Phillips Petroleum Company	8/31/1934	24	166	SE/4	18	14	14	Russell	KS
Fred Carroll	Carrie L Carroll et al	Phillips Petroleum Company	8/31/1934	24	254	SE/4	18	14	14	Russell	KS
Roesner	Maggie Roesner et al	Stanolind Oil and Gas Company	2/12/1934	22	380	NW/4 SE/4 & South 25 acres of NE/4 SE/4	9	15	13	Russell	KS
Roesner	Donald R Milliken et al	Citation Oil & Gas Corp	11/19/2018	143	378	N/2 SE/4	9	15	13	Russell	KS

Exhibit "B" – Wells

<u>Well Name</u>	<u>API #</u>	<u>County</u>	<u>State</u>
Amelia 2	15-167-06838	Russell	KS
Amelia 5	15-167-22762	Russell	KS
Carroll F 10	15-167-30249	Russell	KS
Carroll F 11	15-167-23080	Russell	KS
Carroll F 2	15-167-06892	Russell	KS
Carroll F 3	15-167-02706	Russell	KS
Carroll F 5	15-167-02708	Russell	KS
F Carroll 7	15-167-19257	Russell	KS
Roesner 1	15-167-03238	Russell	KS
Roesner 2	15-167-03239	Russell	KS
Roesner 5	15-167-22947	Russell	KS
Staudinger A-5	15-167-22249	Russell	KS
Staudinger A 1	15-167-03138	Russell	KS
Staudinger A 2	15-167-03139	Russell	KS
Staudinger A 3	15-167-03140	Russell	KS

Exhibit "C" - Agreements

<u>Lessor</u>	<u>Lessee</u>	<u>Date</u>	<u>Book</u>	<u>Page</u>	<u>Agreement Legal</u>	<u>County</u>	<u>State</u>	<u>Type</u>
STARR F SCHOLBOHM	ELYSIUM ENERGY, LLC	8/20/2004			T15S-R13W SEC 10: N2SW	RUSSELL	KS	SWD