

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**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.*

Form T-1  
April 2019  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

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  
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.: \_\_\_\_\_. Recommended action: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Signature

DISTRICT \_\_\_\_\_ EPR \_\_\_\_\_ PRODUCTION \_\_\_\_\_ UIC \_\_\_\_\_

KDOR Lease No.: \_\_\_\_\_

\* Lease Name: \_\_\_\_\_ \* Location: \_\_\_\_\_

*A separate sheet may be attached if necessary.*

\* 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.

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: \_\_\_\_\_

## PURCHASE AND SALE AGREEMENT

**MEWBOURNE OIL COMPANY, 3MG CORPORATION, CWM 2000-B, LTD., AND MEWBOURNE DEVELOPMENT COMPANY** (hereinafter collectively referred to as "Seller") desires to sell to Red Hill Resources, Inc., ("Purchaser"), and Purchaser desires to purchase from Seller all the right, title and interest of Seller, in and to those lands and leases and all of Seller's interest in and to the wells located thereon, the oil and gas leases held by such wells including therewith all production, equipment, processing facilities, fixtures, casing, tubular goods, pipelines, pumps, tanks, gathering lines, and other facilities, both surface and down hole, installed and used in the operation of said wells, as well as all rights and interest of Seller in such permits, licenses, easements, right-of-ways surface leases, farm-in agreements, farmout agreements, operating agreements, unit agreements, purchase and sale agreements, equipment and facility leases, water rights (if any) and such other entitlements, contracts and agreements, in which Seller has an assignable interest, all hereinafter collectively referred to as "Properties" and more particularly set out on Exhibit "A" attached hereto, pursuant to the terms and conditions set forth in this Purchase and Sale Agreement.

**1. Assets Purchased.** Seller shall, on the Closing Date provided for in Paragraph 4 hereof, transfer and assign such Properties, pursuant to an Assignment and Bill of Sale (the "Assignment") in the form set forth on the attached Exhibit The Assignment shall be made without warranty of title, either express or implied, except as to conveyances or encumbrances by through or under Seller.

**2. EFFECTIVE DATE.** Effective Date and time for the purchase and sale of the Properties shall be December 1, 2024, at 7:00 a.m., local time.

**3. PURCHASE PRICE.** Subject to Paragraph 7 hereof and the other terms and conditions hereof, Purchaser shall pay to Seller FORTY THOUSAND AND NO HUNDRED DOLLARS (\$40,000.00), for Seller's purported Overriding Royalty Interest, Working Interest and Net Revenue Interest in the Properties as set on Exhibit "B". Such consideration shall be payable by wire transfer on the Closing Date.



**4. CLOSING.** Closing shall occur, subject to each condition precedent having been fulfilled or waived by the party in favor of whom it was stipulated, on or before December 13, 2024, or at such other date as may be agreed by Purchaser and Seller (the "Closing Date"), at a mutually agreeable time and place to be designated by Seller. At Closing, Seller agrees to execute and deliver a notarized Assignment and Bill of Sale and in lieu of transfer order letters between Seller and Purchaser addressed to the companies purchasing the oil, gas and other hydrocarbons produced from the Properties, to give the necessary notice of this purchase and sale. "Closing" shall mean the consummation of the sale by transfer of Seller's ownership in the Properties and payment of the Purchase Price by wire transfer, as adjusted pursuant to Paragraph 8, to Seller's bank.

**5. REPRESENTATIONS AND WARRANTIES.** To the best of Seller's knowledge ("Seller's knowledge" means the actual knowledge without investigation of Jordan Anderson, Engineer, who has knowledge of the geographic area in which the Properties are located) and belief, Seller has no knowledge of any: (a) gas imbalances; (b) delinquent payments owed to the operator, vendors or contractors to whom Seller has a duty to pay; (c) material defaults with respect to its obligation under any lease, contract or other agreement; (d) violation of environmental law, rule or regulation; or (e) existing, or pending, or potential claims, demands, judgments, or litigation except as noted in paragraph 6. (b) below applicable to the Properties.

(a) Seller represents that it is a corporation duly organized and validly existing, and in good standing under the laws of the state of its incorporation. It has the corporate power to carry on its business as it is now being conducted and is qualified to do business and in good standing in the state of Kansas.

(b) Purchaser has full power and authority to make and perform this Agreement according to the terms hereof and is a corporation duly organized, validly existing, and in good standing under the laws of the State of Kansas and is duly qualified to do business in the state of Kansas.

(c) Purchaser currently has or shall prior to Closing post a plugging bond sufficient to comply with all rules and regulation, if any, of the state where the Properties are located

pertaining to the plugging and abandonment of any and all wells on the Properties.

(d) Purchaser is sophisticated in the evaluation, purchase, ownership, development, and investment in oil and gas properties. In making its decision to enter into this Agreement and to consummate the transactions contemplated herein, Purchaser has relied on its own independent investigation, review, and analysis of the Properties, which investigation, review, and analysis was done by Purchaser and its own legal, tax, economic, environmental, geological, geophysical, engineering, and other advisors. In entering into this Agreement, Purchaser acknowledges that it has relied solely upon such investigation, review, and analysis and not on any factual representations or opinions of Seller or any representatives, consultants, or advisors engaged by or otherwise purporting to represent Seller except to the extent represented or set forth in this Agreement.

## **6. ASSUMPTION OF LIABILITIES AND INDEMNITIES.**

As used in this Paragraph 6, and the subparagraph hereunder, "Claims" shall include claims, demands, causes or action, liabilities, damages, penalties, judgments, payments, losses, damages, penalties, fines, costs, expenses, including any fees of attorneys, experts, consultants, accountants, and other professional representatives and legal or other expenses incurred in connection therewith, including liabilities, costs, losses, and damages for personal injury, or death, property damage or loss, contract claims, tort or otherwise.

(a) From and after Closing, Purchaser shall, at the Effective Time assume all liabilities, Claims and obligations related to the Properties which arise as a result of the ownership or operation of the Properties on and after the Effective Time, including, without limitation, (i) the terms of the applicable leases and contracts to the extent related to the Properties, (ii) the environmental and mechanical condition of the Properties, and (iii) compliance with all applicable federal and state laws, rules, and regulations relating to the Properties. Further, Purchaser assumes (A) all liabilities, Claims and obligations for environmental matters and events related to, and environmental condition of, the Properties regardless of whether such Claims,

liabilities or obligations arose before, on, or after the Effective Time, (B) all , Claims, liabilities or obligations for (1) properly plugging and abandoning the wells, and (2) restoring the surface of the premises affected by the wells, all at Purchaser's sole cost, risk, and expense, even though such Claims, liabilities and obligations to plug and abandon and restore the premises may have arisen prior to the Effective Time, and (C) all Claims, liabilities and obligations associated with the payment of proceeds that are held by Seller in suspense. All Claims, liabilities and obligations assumed by Purchaser as set forth in this Section are collectively, the "Assumed Liabilities."

- (b) From and after Closing, Seller shall indemnify and hold harmless Purchaser from any and all claims, costs, expenses, liabilities or causes of action to or by third parties arising directly or indirectly from, or incident to, Seller's ownership of the Properties prior to the Effective Time (hereinafter the "Retained Liabilities").
- (c) Each indemnified party hereunder agrees that upon its discovery of facts giving rise to a claim for indemnity under the provisions of this Agreement, including receipt by it of notice of any demand, assertion, claim, action or proceeding, judicial or otherwise, by any third party (such third party actions being collectively referred to herein as the "Claim"), with respect to any matter as to which it is entitled to indemnity under the provisions of the Agreement, it will give prompt notice thereof in writing to the indemnifying party together with a statement of such information respecting any of the foregoing as it shall then have. Such notice shall include a formal demand for indemnification under this Agreement. The indemnified party shall afford the indemnifying party a reasonable opportunity to pay, settle or contest the Claim as its expense.
- (d) Upon Closing, Seller shall (i) be responsible for any and all claims arising out of the production or sale of hydrocarbons from the Properties-or the proper accounting or payment to parties for their interests therein-insofar as such claims relate to periods of time prior to the Effective Time, and (ii) defend, indemnify and hold Purchaser harmless from any and all such claims. Upon Closing, Purchaser shall be responsible for all of said types of claims insofar as they relate to the periods of time from and after

the Effective Time and shall defend, indemnify and hold Seller harmless therefrom.

**7. ACCESS AND DUE DILIGENCE.** In connection with the proposed acquisition, Seller shall permit Purchaser and its employees and representatives, without undue interference to the ordinary conduct of Seller's business, to have free and reasonable access during normal business hours to (a) the Properties under the following conditions: (i) at Purchaser's sole cost and risk, (ii) Purchaser must be accompanied by Seller or Seller's representative at all times during any field inspections; and to (b) all books, accounts, records, contracts, and personnel requested by Purchaser, so that Purchaser may conduct a Due Diligence investigation of the assets and Properties. Any conclusions made from such investigations will result from Buyer's own independent review and judgment

**8. PURCHASE PRICE ADJUSTMENT.** To the extent Purchaser discovers, pursuant to its due diligence review, prior to the Closing Date, material facts not previously known to Purchaser, including, but not limited to: (a) working and unit net revenue interest figures different from those set forth on Exhibit B; (b) material title defects; (c) working interest which is limited to the wellbore of the currently producing wells such that Seller does not have the rights to drill additional wells in the leasehold; (d) environmental problems, liens, mortgages, other encumbrances or unpaid taxes that have not been discharged at or prior to the Closing Date; (e) problems with the condition of the wellbore, equipment and/or facilities (the right of inspection and approval of the condition of the equipment being expressly reserved by Purchaser) related to or associated with the Properties; or (f) information related to litigation or potential unasserted claims, or to the extent required, necessary approvals for the assignment of contract(s) or required waivers of preferential right(s) to purchase all or part of the assets associated with the Properties; then, Purchaser shall propose an adjustment in the Purchase Price attributable to the defect. Seller and Purchaser shall use their best efforts to come to an agreement with respect to either remedy the defect or adjust the Purchase Price. If the Parties cannot reach agreement on a remedy for the defect or an adjustment in the Purchase Price, then upon written notice to the other party, either party may terminate this Agreement, and the same

shall be of no further force and effect.

All proceeds (including proceeds held in suspense or escrow) from the sale of production actually sold and delivered by Seller prior to the Effective time and attributable to the Properties shall belong to Seller and all proceeds from the sale of production actually sold and delivered after the Effective Time attributable to the Properties shall belong to Purchaser. In addition, all oil, condensate or liquid hydrocarbons (hereinafter in this paragraph call "oil") in storage shall be allocated based on the pumper's gauge sheets and all gas meter charts shall be allocated as of the Effective Time. Purchaser shall pay Seller for such oil at the highest posted field price currently prevailing for oil of like grade and gravity for the particular field.

Except as otherwise specifically provided in this Agreement, all costs, expenses and obligations relating to the Properties which accrue prior to the Effective Time shall be paid and discharged by Seller; and all costs, expenses and obligations relating to the Properties which accrue after the Effective Time shall be paid and discharged by Purchaser.

Seller shall prepare a Preliminary Settlement Statement and provide it to Purchaser no later than 4 days prior to the Closing Date. Any adjustments shall be made at Closing, if possible. If adjustment amounts are indeterminable at Closing, adjustments shall be made within sixty (60) days of Closing.

Seller shall, within said sixty (60) day period, prepare a Post Closing Settlement Statement to Purchaser for its approval, listing the total amount of proceeds of production received by Seller subsequent to the Effective Time, and offset by all operating expenses paid by Seller subsequent to the Effective Time that were not included in the Preliminary Settlement Statement. In the event the post-Closing settlement statement reflects an amount due and owing to Purchaser, Seller shall pay such amount simultaneous with its delivery of the aforesaid post-Closing settlement statement to Purchaser. In the event an amount is shown to be due and owing Seller, Purchaser shall pay the same within five (5)

days of its approval of such post-Closing settlement statement.

**9. TAXES.** Purchaser shall be responsible for all sales or use taxes, if any, which may become due and owing in the event of a sale of the Properties to Purchaser. Ad valorem, property and similar taxes and assessments with respect to the Properties for the assessment year in which Closing occurs shall be prorated to the Effective Date, so that Seller shall be responsible for such taxes for the period prior to the Effective Date and Purchaser shall be responsible for such taxes for the period on and after the Effective Date.

**10. SUBSEQUENT DRILLING OPERATIONS.** After full execution of this Agreement and prior to delivery of possession of the Properties to Purchaser under the applicable provisions of this Agreement, Seller shall not, without Purchaser's prior written consent, propose or conduct any operations for the drilling, testing, completing, reworking, re-completing, sidetracking, deepening, plugging back or plugging and abandoning a well with respect to the Properties (a "Drilling Operation") under the terms of any operating agreement or other contract (except repairs or operations made necessary by emergency conditions, after which Seller shall promptly give Purchaser notice with full details of the work done and the cost thereof). If any party (other than Seller) to an operating agreement or compulsory pooling order, proposes a Drilling Operation prior to such delivery of possession of the Properties, Seller shall promptly notify Purchaser of such proposal and will promptly provide Purchaser with all information, data or other material in Seller's possession that may be relevant to a decision whether or not to participate in such Drilling Operation. Seller shall accept or reject participation in the proposed Drilling Operation based upon Purchaser's election with respect thereto given in writing by Purchaser to Seller within the period allowed in such proposal. Failure by Purchaser to make an election within such period shall be deemed an election by Purchaser not to participate. No election by Purchaser to participate or not to participate in such a Drilling Operation shall result in any adjustment in the sale price allocated to the property affected thereby; however, all costs and expenses on account of Purchaser's decision to participate in any Drilling Operation shall be borne by Purchaser, notwithstanding



anything herein to the contrary.

**11. FURTHER OPERATION OF SELLER-OPERATED PROPERTIES.** Subject to the provisions of Section 10 hereof, Seller shall, as to the Properties it now operates, continue to operate the same until the Effective Time, when such operation shall be turned over to, and become the responsibility of Purchaser. In the event Closing occurs after the Effective Time, however, Seller shall, unless Purchaser and Seller otherwise agree, continue the physical operation of such Properties until Closing: such operation from and after the Effective Time shall be conducted by Seller for and on behalf of Purchaser; and for any such services performed by Seller from and after the Effective Time, Purchaser shall pay Seller for all reasonable and necessary expenses incurred by Seller in such operation, protection or maintenance of the Properties. Such expenses may be recovered by Seller as part of the closing or post-closing adjustments, as appropriate. In all of its operations, after full execution of the Agreement, Seller shall exercise the same standard of care as an ordinary prudent operator under the same or similar circumstance and shall notify Purchase of any material adverse change in the productive capability of any well included in the Properties.

**12. LIABILITIES AND EXPENSES.** Purchaser and Seller shall respectively pay and discharge all liabilities, obligations and expenses respectively incurred by them or on their behalf in connection with the preparations, authorization, execution and performance of this Purchase and Sale Agreement. Purchaser and Seller will indemnify the other from any cost, expense or liability from breach of this paragraph.

**13. FURTHER ASSURANCES.** Seller and Purchaser shall execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered such instruments and take such other actions as may be necessary or advisable to carry out their obligations under this Agreement and under any document, certificate or other instrument delivered pursuant hereto.

**14. GOVERNING LAW.** All disputes, controversies, or claims arising out of or relating to

this Agreement, including the validity, construction, enforcement, or interpretation of this Agreement, shall be governed and controlled by the substantive laws of the State of Texas, and no conflict of law or choice of law principles of Texas or any other jurisdiction shall be applicable. Any suit or proceeding hereunder must be brought exclusively in the state or federal courts of the State of Texas, and each Party hereby consents to the personal jurisdiction of said state and federal courts. Each Party further agrees that any such suit or proceeding shall be filed exclusively in the state or federal courts in Tyler, Smith County, Texas, and the Parties expressly waive any objection to such courts as an inconvenient forum. Additionally, each party hereto hereby knowingly, voluntarily, irrevocably, and intentionally waives any right it may have to a trial by jury in respect to any proceeding based hereon or arising out of, under, or in connection with this Agreement. This provision is a material inducement for the parties to enter into this Agreement.. This Purchase and Sale Agreement was prepared by both parties hereto and not by one party to the exclusion of the other party.

**15. Confidentiality.** This Agreement is confidential in nature and, until Closing occurs, the Parties agree not to disclose, discuss, or make available to any third party the terms of this Agreement or the fact that the Parties are negotiating a sale and purchase of the Assets. Provided, to the extent reasonably necessary to satisfy the covenants or to consummate the transactions contemplated by this Agreement, each Party shall be permitted to disclose the existence of and terms of this Agreement to its legal and financial counsel and to any governmental authority the consent or approval of which is reasonably necessary to accomplish the purpose of this Agreement.

**16. Entire Agreement.** This Agreement (inclusive of exhibits) and the documents delivered pursuant hereto constitute the entire understanding between the Parties with respect to the subject matter hereof, superseding all prior negotiations, prior discussions, and prior agreements and understandings relating to such subject matter, whether oral or written. In the event any provision of this Agreement is construed to conflict with any provision of the documents delivered pursuant hereto, the provisions of this Agreement shall be deemed controlling to the extent of such conflict. The Parties do not intend to



cause a merger of the terms of this Agreement into the Assignment, and this Agreement shall remain in full force and effect on and after the Closing Date in accordance with its terms.

**17. Successors and Assigns.** This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto and their respective successors and permitted assigns.

**18. Limitation on Damages.** Except for claims in connection with damages incurred by a third party for which indemnification is sought under the terms of this Agreement, neither Party will be entitled to recover from the other Party any consequential, special, indirect, punitive, or exemplary damages in connection with this Agreement and the transactions contemplated hereby, and each Party expressly waives any right to such consequential, special, indirect, punitive, and exemplary damages in connection with this Agreement and the transactions contemplated hereby.

IN WITNESS WHEREOF, this Conveyance is executed this 28 day of January, 2024 but shall be effective as of the Effective Date and Time for all purposes.

**Seller:**

**MEWBOURNE OIL COMPANY**

By: Kenneth S. Warts  
CO

**MEWBOURNE DEVELOPMENT  
COMPANY**

By: Kenneth S. Warts  
CO

**3MG CORPORATION**

By: J Lee Buckley  
CO

**CWM 2000-B, LTD.**

By: J Lee Buckley  
CO

**Purchaser:**

**RED HILLS RESOURCES, INC.**

By: *James W McKinstry*  
Name: *James W McKinstry*  
Title: *President*

### Exhibit "A"

Attached to and made a part of that certain Purchase and Sale Agreement dated effective December 1, 2024 by and between Mewbourne Oil Company, et. al., et. al. as Seller and Red Hills Resources, Inc. as Purchaser.

Well Name	Location	API #	Working Interest	Avg. NRI
Cox 33 #1A	Sec. 33-34S-25W	15-025-21200	100.0000%	81.37304%%
Frame 19 #1	Sec. 19-34S-25W	15.025-21202	100.0000%	80.00000%
Gross, R.S. #1	Sec. 34-34S-25W	15-025-00078	100.0000%	81.37304%
Isenbart 19 #1	Sec. 19-34S-25W	15-025-21205	100.0000%	81.25000%
Theis 4 #1	Sec. 4-34S-25W	15-025-21197	100.0000% *	84.00000%
Walker #1	Sec. 24-34S-25W	15-025-20080	95.3100%	80.0000%
Lee "6" #1	Sec. 6-35S-26W	15-025-21186	36.521875%	75.0000%

\*The Theis 4 #1 has non-consent running for an unleased mineral owner. Once payout occurs, MOC et. al. total W.I. will be 80.00% at an avg. NRI of 77.00%.

End of Exhibit "A"

## **Exhibit "B"**

Attached to and made of part of that certain Purchase and Sale Agreement dated effective December 1, 2024 by and between Mewbourne Oil Company, et. al., as Seller and Red Hills Resources, Inc., as Purchaser.

### **ASSIGNMENT, CONVEYANCE AND BILL OF SALE**

STATE OF   KANSAS  

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF   CLARK  

THAT, MEWBOURNE OIL COMPANY, 3MG CORPORATION, CWM 2000-B, LTD., AND MEWBOURNE DEVELOPMENT COMPANY whose address is 3620 Old Bullard Road, Tyler, TX 75701 (hereinafter referred to as "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby GRANT, BARGAIN, SELL, ASSIGN, TRANSFER and CONVEY to:

Red Hills Resources, Inc.  
P.O. Box 132  
Englewood, KS 67840

hereinafter referred to as "Assignee", without warranty of title of any kind, express or implied and subject to the terms and conditions hereinafter set out, all of Assignor's right, title and interest in, to and under (i) the oil and gas leases described in Exhibit "A", attached hereto and made a part hereof, and the oil and gas leasehold estates created thereunder, insofar and only insofar as it covers the lands described in Exhibit "A" hereto, (ii) all real, personal and intangible property rights appurtenant to such lands and leases listed on Exhibit "A", including, without limitation, the following (all of Assignor's right, title and interest described below being hereinafter collectively referred to as the "Interests"):

a. Leasehold interests in oil, gas or other minerals, including, without limitation, working interests, carried working interests, rights of assignment and reassignment and other interests under or in the oil and gas leases, and interests in rights to explore for and produce oil, gas and other minerals;

b. Rights and interests in or derived from unit agreements, orders and decisions of state and federal regulatory authorities establishing units, joint operating agreements, enhanced recovery and injection agreements, gas sales contracts, farmout agreements and farmin agreements, options, drilling agreements, exploration agreements, assignments of operating rights, working interests and subleases;

c. Rights-of-way, easements, servitudes and franchises acquired or used in connection with operations for the exploration and production of oil, gas or other minerals;

d. Permits and licenses of any nature owned, held or operated in connection with operations for the exploration and production of oil, gas or other minerals, to the extent such permits and licenses are transferable;

e. Rights and interests in and to the wells, machinery, equipment, fixtures, related inventory and personal property located on and used in connection with the operation of the property described in Exhibit "B" attached hereto.

THIS Assignment, Conveyance and Bill of Sale, hereinafter referred to as "Conveyance" shall be subject to the following terms, conditions or exceptions:

1. This Conveyance shall be effective as of the 1st day of December, 2024, at 7:00 a.m., local time ("Effective Time").

2. This Conveyance shall be subject to the terms and provisions of that certain Purchase and Sale Agreement dated effective December 1, 2024, by and between Mewbourne Oil Company, et. al., as Seller, and Red Hills Resources, Inc., as Purchaser.

3. The Interests herein assigned and conveyed shall be subject to all instruments and agreements through which Assignor derived its title or to which the same are subject.

4. To the extent transferable, Assignee shall have the right of full substitution and subrogation in and to any and all rights and actions of warranty which Assignor has or may have with respect to the Interest conveyed hereunder of which Assignor has or may have against any and all preceding owners, vendors or warrantors.

5. ASSIGNOR AND ASSIGNEE ACKNOWLEDGE AND AGREE THE INTERESTS ARE TO BE CONVEYED WITHOUT WARRANTY OF TITLE. THE INTERESTS ARE CONVEYED HEREIN BY ASSIGNOR "AS IS, WHERE IS" AND IN THEIR PRESENT CONDITION WITH ALL FAULTS.

6. As used in this Paragraph 5, and in the subparagraphs hereunder, "claims" shall include claims, demands, causes of action, liabilities, damages, penalties and

judgments of any kind or character arising out of or in any way connected with the Interests and all costs and fees in connection therewith.

a. Assignee shall (i) be responsible for any and all claims arising from the production and sale of hydrocarbons from the Interests assigned hereunder, including the accounting or payment to third parties of monies attributable to their interests in such production, insofar as such claims relate to hydrocarbons produced from the Interests and sold after the Effective Time, (ii) at the Effective Time assume and be responsible for and comply with all duties and obligations of Assignor, express or implied, with respect to the Interests under or by virtue of any lease, contract, agreement, document, permit, applicable statute or rule, regulation or order of any governmental authority or at common law (specifically including, without limitation, any governmental request or requirement to plug, re-plug and/or abandon any well of whatsoever type, status or classification, or take any clean up or other action with respect to the Interests) and (iii) defend, indemnify and hold Assignor harmless from any and all claims, including, but not limited to, any and all claims in favor of any person or governmental authority for personal injury, death or damage to property or to the environment, or for any other relief, arising directly or indirectly from, or incident to, the use, occupation, operation, maintenance or abandonment of any of the Interests, or conditions of the Interests, asserted against Assignee after the Effective Time.

b. Assignor shall (i) be responsible for any and all claims arising from the production and sale of hydrocarbons from the Interests assigned hereunder, including the accounting or payment to third parties of monies attributable to their interests in such production, insofar as such claims relate to hydrocarbons produced and sold prior to the Effective Time and (ii) defend, indemnify and hold Assignee harmless from any and all claims asserted against Assignor prior to the Effective Time.

Assignee shall pay and defend and hold Assignor harmless with respect to the payment of all ad valorem taxes on the Interests for the 2024 Tax Period and thereafter, together with any interest or penalty assessed thereon. Regardless of the foregoing, Assignor agrees to reimburse Assignee, upon evidence from Assignee that such taxes have been paid, Assignor's proportionate share of taxes in respect of its ownership of the Interests during the Tax Period.

Assignee shall further defend and hold Assignor harmless with respect to the payment of sales taxes or other taxes in connection with this Assignment, if any, including interest or penalty assessed thereon.

All taxes (other than ad valorem and income taxes) which are imposed on or with respect to the production of oil, natural gas or other hydrocarbons or minerals or the receipt of proceeds therefrom (including but not limited to severance, production and



excise taxes) shall be apportioned between the parties as follows: (i) Payment or withholding of all such taxes applicable or relating to production sold prior to the Effective Time and filing of all statements, returns and documents pertinent thereto shall be the responsibility of Assignor; and (ii) Payment or withholding of all such taxes applicable or relating to production sold from and after the Effective Time and the filing of all statements, returns, and documents incident thereto shall be the responsibility of Assignee.

Each of the parties hereto shall execute, acknowledge and deliver to the other such further instruments, conveyances, deeds, acquittances, division orders and transfer orders, and take such other actions as may be reasonably necessary to carry out the provisions of this Conveyance. However, Assignee shall assume all responsibility for notifying the purchaser of oil and gas production from the Interests, and such other designated persons who may be responsible for disbursing payments for the purchase of such production, of the change of ownership of the Interests. Assignee shall take all actions necessary to effectuate the transfer of such payments to Assignee as of the Effective Time. Assignor shall have no responsibility or liability for the proper distribution of proceeds from and after the Effective Time.

The terms and conditions contained herein shall constitute covenants running with the land and shall be binding upon the parties hereto, their legal representatives, successors, assigns and heirs.

Assignee joins in the execution hereof for the purpose of being bound by all of the terms, provisions, obligations and covenants herein specified.

TO HAVE AND TO HOLD unto Assignee, its legal representatives, successors, assigns and heirs, in accordance with the terms and provisions hereof.

**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.

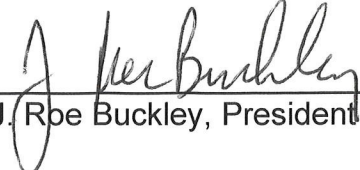
**ASSIGNOR:**

**Seller:**

**MEWBOURNE OIL COMPANY**

**3MG CORPORATION**



  
Kenneth S. Waits, President *co*

  
J. Roe Buckley, President *co*

**MEWBOURNE DEVELOPMENT  
COMPANY**




  
Kenneth S. Waits, President 

**CWM 2000-B, LTD.**  
By: CWM 2000-B Company, LLC  
General Partner

  
J. Roe Buckley, Manager 

**ASSIGNEE:**

**Red Hills Resources, Inc.**

By:   
Name:   
Title: 



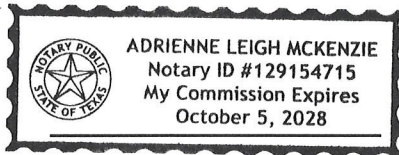
ACKNOWLEDGMENTS

STATE OF TEXAS

COUNTY OF SMITH

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of January 2025 by **Kenneth S. Waits, President of Mewbourne Oil Company**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: 10/05/2028



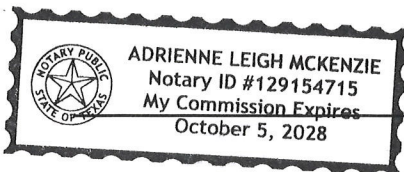
Adrienne Leigh McKenzie  
Notary Public

STATE OF TEXAS

COUNTY OF SMITH

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of January 2025 by **Kenneth S. Waits, President of Mewbourne Development Corporation**, a Delaware corporation, on behalf of said corporation.

My Commission Expires: 10/05/2028  
Run



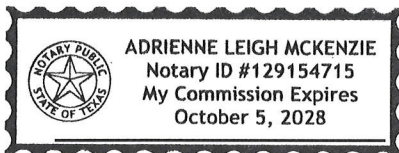
Adrienne Leigh McKenzie  
Notary Public

STATE OF TEXAS

COUNTY OF SMITH

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of January 2025 by **J. Roe Buckley, President of 3MG Corporation**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 10/05/2028



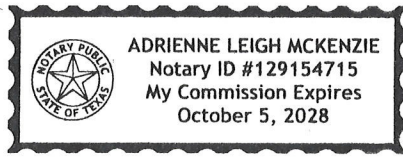
Adrienne Leigh McKenzie  
Notary Public

STATE OF TEXAS

COUNTY OF SMITH

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of January 2025 by **J. Roe Buckley, Manager of CWM 2000-B Company, LLC, General Partner of CWM 2000-B, LTD.**, a Texas corporation, on behalf of said corporation.

My Commission Expires: 10/05/2028



Adrienne Leigh McKenzie  
Notary Public

STATE OF KANSAS

COUNTY OF Clark

The foregoing instrument was acknowledged before me this 22 day of Jan, 2025, by James W. McKinney as PRESIDENT, of Red Hills Resources, Inc., a KANSAS corporation, on behalf of said corporation.

My Commission Expires.



Jennie L. Hart

Notary Public

**EXHIBIT "A"**

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT,  
CONVEYANCE AND BILL OF SALE BY AND BETWEEN MEWBOURNE OIL  
COMPANY, et. al., AS ASSIGNOR AND RED HILLS RESOURCES, INC., AS  
ASSIGNEE DATED EFFECTIVE DECEMBER 1, 2024.

**Clark County, Kansas**

**Cox 33 #1A Section 33-34S-25W**

**Gross #1 Section 34-34S-25W**

Dated: August 7, 1950  
Lessor: Stacey Burns and wife, Beulah Burns  
Lessee: Lindsey G. Morgan  
Description: NE/4 of Section 33-34S-25W  
Recorded: Book 144, Page 338

Dated: May 6, 1950  
Lessor: Anna May Fischbach and husband, J.L. Fischbach  
Lessee: John P. Booth  
Description: SE/4 of Section 33-34S-25W  
Recorded: Book 12, Page 66

Dated: August 7, 1950  
Lessor: Rhea Sabine Gross, a single woman  
Lessee: Lindsey G. Morgan  
Description: NW/4 of Section 34-34S-25W  
Recorded: Book 12, Page 100

Dated: May 6, 1950  
Lessor: R.E. Vincent and wife, Elizabeth Vincent  
Lessee: John P. Booth  
Description: SW/4 of Section 34-34S-25W  
Recorded: Book 12, Page 39

**Frame 19 #1 SE/4 Section 19-34S-25W**

Dated: June 18, 1999

Lessor: Quentin W. Frame, a single man  
Lessee: Mewbourne Oil Company  
Description: Southeast Quarter (SE/4) of Section 19-34S-25W  
Recorded: Book 122, Page 299

**Isenbart "19" #1 NW/4 Section 19-34S-25W**

Dated: November 6, 1998  
Lessor: Frederick J. Isenbart and Marie A. Isenbart, Trustees of the Isenbart Revocable Trust  
Lessee: J.O. Easley, Inc.  
Description: NW/4, a/d/a Lots 1 & 2 and E/2 NW/4, Section 19-34S-25W  
Recorded: Book 122, Page 179

**Walker #1 Section 29-34S-25W**

Dated: July 13, 1972  
Lessor: Val D. Walker, et. al.  
Lessee: Alpine Drilling Co., Inc.  
Description: E/2, Section 29-T34S-R25W  
Recorded: Book 38, Page 444

Dated: July 13, 1972  
Lessor: The Charles E. Greene Trust by Maxson B. Greene, Trustee  
Lessee: Alpine Drilling Co., Inc.  
Description: SW/4, Section 29-T34S-R25W  
Recorded: Book 38, Page 441

Dated: June 6, 1973  
Lessor: Robert C. Graves and Hilda C. Graves, his wife  
Lessee: J. Roger Allspaugh  
Description: NW/4, Section 29-T34S-R25W  
Recorded: Book 41, Page 104

**Theis "4" #1 Section 4-35S-25W**

Dated: July 1, 1999  
Lessor: Elizabeth Ann Rice  
Lessee: Mewbourne Oil Company  
Description: W/2 and SE/4 (a/d/a Lots 2,3 & 4, S/2 NW/4 and S/2) Sec.4-35S-25W  
Recorded: Book 123, Page 244

Dated: July 1, 1999  
Lessor: Carolyn Rice Bartlett Trust, Carolyn Rice Bartlett, Trustee  
Lessee: Mewbourne Oil Company  
Description: W/2 and SE/4 (a/d/a Lots 2,3 & 4, S/2 NW/4 and S/2) Sec.4-35S-25W  
Recorded: Book 123, Page 29

Dated: July 1, 1999  
Lessor: Ferne Marshall Thies  
Lessee: Mewbourne Oil Company  
Description: W/2 and SE/4 (a/d/a Lots 2,3 & 4, S/2 NW/4 and S/2) Sec.4-35S-25W  
Recorded: Book 123, Page 19

Dated: July 1, 1999  
Lessor: Theis Family 1995 Trust, Betty Theis, Trustee  
Lessee: Mewbourne Oil Company  
Description: W/2 and SE/4 (a/d/a Lots 2,3 & 4, S/2 NW/4 and S/2) Sec.4-35S-25W  
Recorded: Book 123, Page 14

Dated: July 1, 1999  
Lessor: Harriet Elizabeth Sidone and Barbara Ann Hazlett  
Lessee: Mewbourne Oil Company  
Description: W/2 and SE/4 (a/d/a Lots 2,3 & 4, S/2 NW/4 and S/2) Sec.4-35S-25W  
Recorded: Book 123, Page 34

**End of Exhibit "A"**

## EXHIBIT "B"

ATTACHED TO AND MADE A PART OF THAT CERTAIN ASSIGNMENT,  
CONVEYANCE AND BILL OF SALE BY AND BETWEEN MEWBOURNE OIL  
COMPANY, et. al., AS ASSIGNOR AND RED HILLS RESOURCES, INC., AS  
ASSIGNEE DATED EFFECTIVE DECEMBER 1, 2024.

### Clark County, Kansas

Well Name	Location	API #	Working Interest	Avg. NRI
Cox 33 #1A	Sec. 33-34S-25W	15-025-21200	100.0000%	81.37304%%
Frame 19 #1	Sec. 19-34S-25W	15.025-21202	100.0000%	80.00000%
Gross, R.S. #1	Sec. 34-34S-25W	15-025-00078	100.0000%	81.37304%
Isenbart 19 #1	Sec. 19-34S-25W	15-025-21205	100.0000%	81.25000%
Theis 4 #1	Sec. 4-34S-25W	15-025-21197	100.0000% *	84.00000%
Walker #1	Sec. 24-34S-25W	15-025-20080	95.3100%	80.0000%
Lee "6" #1	Sec. 6-35S-26W	15-025-21186	36.521875%	75.0000%

\*The Theis 4 #1 has non-consent running for an unleased mineral owner. Once payout occurs, MOC et. al. total W.I. will be 80.00% at an avg. NRI of 77.00%.

End of Exhibit "B"