

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: _____

ASSIGNMENT OF WORKING INTEREST IN OIL AND GAS LEASES

For Good and Valuable Consideration, the receipt and sufficiency of which is hereby acknowledged, effective May 1, 2025 ("Effective Date"), **HG Oil Holdings, LLC** ("Assignor") sells, assigns, and conveys unto **SMG Oil Investments, LLC** ("Assignee") all of Assignor's working interest in and to the oil and gas leases ("Leases") described in Exhibit "A", together with all of its interest in and to the oil, gas, injection and disposal wells situated on the lands covered thereby, including the wells more particularly described in Exhibit "B" (collectively, the "Wells"), and the oil and gas agreements ("Agreements") described in Exhibit "C", which Leases, Wells, and Agreements shall be collectively referred to herein as the "Assets", and shall include all of Assignor's interest in all equipment and inventory associated, appurtenant, or used or obtained in connection with the operation of the Assets and which are situated on the lands covered by the Assets, including but not limited to wellheads, tanks, pumps, compressors, separators, heater treaters, valves, fittings, equipment, machinery, fixtures, flowlines, pipelines, platforms, tubular goods, materials, tools, supplies, and all oil in stock on the Leases as of the Effective Date.

By accepting delivery of this instrument, Assignee assumes all responsibility for, and releases Assignor, and Assignor's parents, subsidiaries and affiliates, and the managers, officers, members, shareholders, partners, other equity owners, employees, representatives and agents of each, and the predecessors in interest and in title of Assignor (collectively, "Assignor Parties") from any and all liability and responsibility, and agrees to defend, indemnify and hold harmless Assignor Parties from any and all claims, whatsoever made or asserted by Assignee, or by any third party or parties (including, but not limited to, governmental agencies) arising from or in any way related to the Assets or the ownership or use thereof, including, but not limited to, (a) the plugging and abandonment of the Wells and remediation of the lands covered by the Leases and Agreements in accordance with applicable laws and regulations or any contract governing the same, (b) the environmental condition of the Assets, known or unknown, including, without limitation, such as may arise as a result of spills and leaks, saltwater disposal or injection, naturally occurring radioactive material and asbestos or otherwise under applicable environmental laws, and (c) all other claims that arise from the ownership or operation of the Assets, including, but not limited to, all duties, liabilities and obligations of Assignor under the Leases, Agreements, or any other agreements related to the Assets.

Assignor EXPRESSLY DISCLAIMS ANY WARRANTY, IMPLIED OR EXPRESS, AND WHETHER BY COMMON LAW OR STATUTE, OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES OR CONDITION OF THE ASSETS. Assignee acknowledges that the Assets are being sold and assigned "AS IS," "WHERE IS," AND "WITH ALL FAULTS." Assignor disclaims any and all warranties of title related to the Assets.

This Assignment is made pursuant to that certain Asset Purchase Agreement dated April 11, 2025, entered into by and between SMG Resources, LLC, as buyer (Assignor being successor of buyer thereunder), and HG Oil Holdings, LLC, as seller.

This instrument may be executed in one or more counterparts with the same effect as if all signatures of the parties hereto were on the same document but in such event each counterpart shall constitute an original, and all of such counterparts shall constitute one instrument. Assignee is hereby authorized and empowered to assemble all such separate counterparts into a single instrument, and to file the same of record. This instrument shall extend to and be binding upon the heirs, successors and assigns of the parties hereto.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, this instrument is executed as of the date of the acknowledgments below, but effective for all purposes as of the Effective Date.

“Assignor”:

HG Oil Holdings, LLC

By: Harrison Gilliland
Harrison Gilliland, manager

“Assignee”:

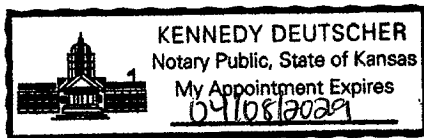
SMG Oil Investments, LLC

By: Shellie Hulsey
Shellie Hulsey, member

STATE OF KANSAS)
) ss.
COUNTY OF ROOKS)

This instrument was acknowledged before me on this 30th day of April, 2025, by Harrison Gilliland, manager of HG Oil Holdings, LLC, on behalf of said company.

My Appointment Expires:

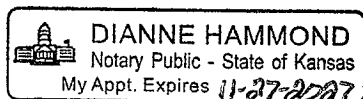


Kennedy Deutscher
Notary Public
Print Name: Kennedy Deutscher

STATE OF KANSAS)
) ss.
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on this 27 day of ~~April~~ ^{May}, 2025, by Shellie Hulsey, member of SMG Oil Investments, LLC, on behalf of said company.

My Appointment Expires: 11/27/2027



Dianne Hammond
Notary Public
Print Name: Dianne Hammond

EXHIBIT "A" – LEASES

<u>Lease</u>	<u>Lessor</u>	<u>Lessee</u>	<u>Dated</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>
Bitter	Brian L. Bitter and Melissa Bitter, his wife et al.	L-3 Energy, LLC	2/19/2007	613	9138	SE/4	6	16S	13W	Barton	Kansas
Cropp	Gary D. Cropp and Virginia M. Cropp, husband and wife, individually and as Trustees of the Gary D. Cropp and Virginia M. Cropp Family Trust	L-3 Energy, LLC	10/24/2006	613	6720	NE/4	7	16S	13W	Barton	Kansas
Cropp	Melba J. Haines, Trustee of the Melba J. Haines Trust	Charter Energy, Inc.	9/29/2009	615	5551	NE/4	7	16S	13W	Barton	Kansas
Cropp	Karen Maier and Alan D. Maier, wife and husband	Charter Energy, Inc.	9/27/2009	615	5333	NE/4	7	16S	13W	Barton	Kansas
Cropp	Barbara Merry and Roscoe J. Merry, her husband	Charter Energy, Inc.	9/27/2009	615	5334	NE/4	7	16S	13W	Barton	Kansas
Gary Bitter	GGB Assets L.P.	Charter Energy, Inc.	4/24/2009	615	7325	SE/4	7	16S	13W	Barton	Kansas
Hoffman	Norman Hoffman and Mary Hazel Hoffman, his wife	L-3 Energy, LLC	10/4/2006	613	6390	SW/4	6	16S	13W	Barton	Kansas
Michaelis A	Barbara S. Michaelis, a single person	J. Fred Hambright, Inc.	6/5/2018	226	14	SE/4	36	15	14	Russell	Kansas
Michaelis A	Patricia A. Michaelis, a single person	J. Fred Hambright, Inc.	6/12/2018	226	17	SE/4	36	15	14	Russell	Kansas
Michaelis A	Linda M. Davis and Robert E. Davis, her husband	J. Fred Hambright, Inc.	6/12/2018	226	20	SE/4	36	15	14	Russell	Kansas
Michaelis A	Alta Michaelis, a single person	J. Fred Hambright, Inc.	6/12/2018	226	125	SE/4	36	15	14	Russell	Kansas
Michaelis A	Joey A. Michaelis and Susan Michaelis, his wife	J. Fred Hambright, Inc.	6/12/2018	226	41	SE/4	36	15	14	Russell	Kansas
Morganstern	Jerry L. Morgenstern and Lou Ann Morgenstern, husband and wife et al.	American Oil, LLC	3/2/2017	619	7302	SW/4	12	16S	14W	Barton	Kansas

Morganstern	Christian K. Keesee, Trustee of the Christian K. Keesee 1982 Revocable Trust	American Oil, LLC	7/19/2017	619	8970	SW/4	12	16S	14W	Barton	Kansas
Popp-Harms	James Robert Durden, Jr.	Charter Energy, Inc.	3/19/2009	615	2344	E/2 NE/4	5	16S	13W	Barton	Kansas
Popp-Harms	Sue Card	Charter Energy, Inc.	4/30/2011	616	4740	E/2 NE/4	5	16S	13W	Barton	Kansas
Popp-Harms	Bettie Lee Durden	Charter Energy, Inc.	1/8/2009	615	1193	E/2 NE/4	5	16S	13W	Barton	Kansas
Popp-Harms	Herbert A. Harms	Charter Energy, Inc.	10/3/2008	615	122	E/2 NE/4	5	16S	13W	Barton	Kansas
Popp-Harms	Robert H. Harms and Susan M. Harms, his wife	Charter Energy, Inc.	10/3/2008	615	123	E/2 NE/4	5	16S	13W	Barton	Kansas
Popp-Harms	Dean R. Popp and Betty L. Popp, his wife	Charter Energy, Inc.	8/27/2010	616	877	W/2 NE/4	5	16S	13W	Barton	Kansas
Siemsen	Brian L. Bitter and Melissa A. Bitter, husband and wife	Klima Oil, Inc.	8/18/2003	610	620	NE/4	24	16S	14W	Barton	Kansas

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EXHIBIT "B" – WELLS

<u>Well Name</u>	<u>S</u>	<u>T</u>	<u>R</u>	<u>County</u>	<u>API Number</u>
Bitter 1	6	16	13	Barton	15-009-25056-0000
Bitter 2	6	16	13	Barton	15-009-26393-0000
Cropp 1	7	16	13	Barton	15-009-25349-0000
Cropp 2	7	16	13	Barton	15-009-25388-0000
Cropp 3	7	16	13	Barton	15-009-26407-0000
Gary Bitter 2	7	16	13	Barton	15-009-25573-0000
Gary Bitter 1	7	16	13	Barton	15-009-25402-0000
Hoffman 1	6	16	13	Barton	15-009-25083-0000
Hoffman 2	6	16	13	Barton	15-009-26391-0000
Luerman-Weeks 4	18	16	13	Barton	15-009-19104-0000
Luerman-Weeks 6	18	16	13	Barton	15-009-23116-0000
Luerman-Weeks 8	18	16	13	Barton	15-009-23370-0000
Michaelis 'A' SWD	36	15	14	Russell	15-167-23404-0001
Michaelis A 2	36	15	14	Russell	15-167-23393-0000
Morgenstern 1-12	12	16	14	Barton	15-009-25777-0001
Morgenstern 2-12	12	16	14	Barton	15-009-26322-0000
Morgenstern 3-12	12	16	14	Barton	15-009-26339-0000
Morgenstern 4-12	12	16	14	Barton	15-009-26338-0000
Popp Harms Unit 2	5	16	13	Barton	15-009-25553-0000
Siensen 1	24	16	14	Barton	15-009-03719-0000
Siensen 2	24	16	14	Barton	15-009-03720-0000

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EXHIBIT “C” – AGREEMENTS

<u>Agreement</u>	<u>Grantor</u>	<u>Grantee</u>	<u>Dated</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>
Tank Battery	Gary D. Cropp and Virginia M. Cropp Family Trust	Charter Energy, Inc.	4/29/2010	615	8788	NE/4	7	16	13	Barton	Kansas
Tank Battery	Brian L. Bitter and Melissa Bitter, his wife et al.	Charter Energy, Inc.	9/26/2007	614	4778	SE/4	6	16	13	Barton	Kansas
Salt Water	Gregory A. Bitter and Heather D. Bitter, husband and wife	Charter Energy, Inc.	6/30/2011	616	5879	NE/4	16	16	13	Barton	Kansas
Tank Battery	Gregory A. Bitter and Heather D. Bitter, husband and wife	Charter Energy, Inc.	4/24/2013	617	6746	NE/4	16	16	13	Barton	Kansas
Salt Water	Charter Energy, Inc.	ABARTA Oil & Gas Co., Inc.	11/30/2010	616	3092	E/2 NE/4 NW/4 NE/4	5	16	13	Barton	Kansas
Salt Water	John H. Luerman, Sr.	Klima Oil, Inc.	5/1/2008	614	8352	N/2 NW/4 SW/4	18	16	13	Barton	Kansas

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