

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: _____

Title: _____

Date: _____

Signature: _____

Acknowledgment of Transfer: The above request for transfer of injection authorization, surface pit permit # _____ has been noted, approved and duly recorded in the records of the Kansas Corporation Commission. This acknowledgment of transfer pertains to Kansas Corporation Commission records only and does not convey any ownership interest in the above injection well(s) or pit permit.

_____ is acknowledged as the new operator and may continue to inject fluids as authorized by

_____ 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

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**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____ Fax: (_____) _____

Email Address: _____

Well Location:

____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West

County: _____

Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (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 SALE AND PURCHASE OF
OIL AND GAS LEASE**

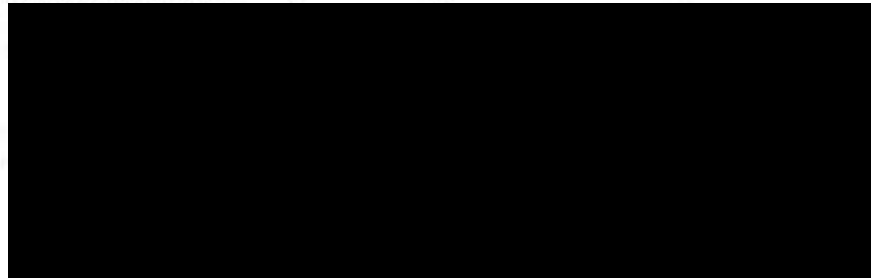
THIS AGREEMENT made on the 25th day of August, 2025, by and between H&D Exploration, L.L.C. a Kansas limited liability company, ("Seller") and Thomas Garner, Inc., a Kansas corporation ("Buyer").

WITNESSETH:

1. **Lease Sold.** Seller agrees to sell and convey, and Buyer agrees to purchase and pay for all of Buyer's working interest in and to the oil and gas leases/saltwater disposal agreement described in Exhibit "A", attached hereto, ("Leases"), with the working interest and net revenue interests being no less than the percentages as set out opposite the description of the Leases on Exhibit "A", along with the following hereinafter referred to as "Assets":

a. All structures, facilities, foundations, wellheads, tanks, pumps, heater treaters, valves, fittings, equipment, machinery, fixtures, flowlines, pipelines, platforms, tubular goods, materials, tools, supplies, improvements, and any other personal, immovable, and mixed property located on, used in the operation of, or relating to the production, treatment, non-regulated transportation, gathering, marketing, sale, processing, handling or disposal of hydrocarbons, water, and associated substances produced or drained from the Leases (the "Facilities") located on site of or used or related in any way to the operations of the Leases described in Exhibit A attached, hereto;

b. All records, information, well files, and data in the possession of Seller that relates in any way to the Leases, including but not limited to contracts, agreements, production records, electric logs, well completion reports, drill stem tests, RAW Seismic Data and interpreted map covering the following areas in Stafford County, Kansas:



c. Rights of way, easements, surface leases, disposal well agreements, and other rights to use the surface used or held for use in connection with the production, operation, gathering, transporting, disposal and sale of hydrocarbons or water produced from the Leases, (the "Related Agreements"); attributed to or related in any way to the rights or operations of the Leases described in Exhibit A attached, hereto.

d. The right to operate all Leases and wells located thereon.

2. **Purchase Price.** The purchase price is [REDACTED] The purchase price shall be allocated between the Leases as set forth on Exhibit A
3. **Payment.** The purchase price is payable in full at Closing by cashier's check or completed electronic funds transfer.
4. **Title.** The working interest being sold herein shall be free and clear of any adverse lien, claim or encumbrance as of the date of Closing.
5. **Conveyance.** Sellers shall convey the property to Buyer at Closing by Assignment and Bill of Sale in the form of Exhibit B, attached hereto.
6. **Condition.** The lease, wells and equipment are sold "as is" without warranty as to fitness, condition or future performance, subject to the express conditions, representations, warranties, and limitations contained in this Agreement.
7. **Effective Time.** The sale and purchase shall be effective for all purposes as of 9:00 a.m. o'clock on September 1, 2025. On the Effective Time, Buyer shall take over as Operator of the Leases. Seller will prepare and execute a T-1 and all other forms necessary to effect transfer of operations as of closing including all Landowner Notification. Until closing, Seller shall operate the Leases as a reasonably prudent operator in the ordinary course and consistent with Seller's practices prior to execution of this Agreement. In the event this Agreement is terminated for any reason Buyer shall execute a T-1 and all other forms necessary to effect transfer of operations as of the termination date of this Agreement back to Seller and Buyer shall be compensated for its operations of the Leases as a contract operator upon a similar rate that is charged by contract operators in the area.
8. **Taxes.** Sellers shall pay ad valorem taxes assessed against the Leases, Wells and Equipment for 2024 and prior years. The 2025 ad valorem taxes shall be prorated between the parties as of the date of Closing.
9. **Revenue.** Sellers shall be entitled to the proceeds of all oil and gas sold from the lease up to the Effective Time. Buyer shall be entitled to the proceeds of all revenues sold from the lease from and after the Effective Time.
10. **Oil in Stock Tanks.** Seller shall receive their proportionate share of the proceeds from the sale of oil produced from the Assets prior to the Effective Time. Buyer hereby agrees that Seller's proportionate share of the oil in those lease tanks above the pipeline connection of the tank as of Effective Time, is excluded from this sale and is reserved by, and remains the property of, Seller. The quantity of such oil shall be gauged by Seller and Buyer at 9:00 o'clock A.M. or as soon thereafter as is practical, on the date of closing and Buyer shall pay Seller for such oil using the August Monthly Average of the price per barrel of oil separate from this transaction within 15 days after the Effective Time. Buyer shall receive (or receive credit at Closing, as applicable) for all proceeds from the sale of Hydrocarbons physically produced from or allocable

to the Assets after the Effective Time and shall also receive the proceeds of all other revenues and benefits attributable to the Assets accruing or relating to any period from and subsequent to the Effective Time.

11. Expense. Sellers shall pay all expenses of the ownership and operation of the lease, wells and equipment up to the Effective Time. Buyer shall pay all expense from and after the Effective Time.

12. Utility Services. Sellers shall transfer all utility services to Buyer as of the Effective Time. If there is a delay in meter reading, interim usage shall be prorated between the parties.

13. Closing. Closing shall occur on September 1, 2025, at a mutually convenient location.

14. Indemnification.

a) Buyer shall indemnify, defend and hold Seller, its directors, officers, employees, agents and representatives and Affiliated or parent companies (which additional parties are hereinafter collectively referred to as the "Seller Indemnified Parties") harmless from any and all Claims (as hereinafter defined) arising out of, related to or in connection with (i) Buyer's ownership of the Assets on or after the Effective Date, (ii) any obligations or liabilities assumed by Buyer hereunder, (iii) Buyer's breach of any of its representations, warranties, covenants or agreements contained in this Agreement, and (iv) Buyer's operation of the Leases after the Effective Date. As used in any provision of this Agreement, "Claims" shall mean all liabilities, losses, costs, damages, fees and expenses (including, without limitation, expenses associated with investigation of claims, testing, assessment and remedial actions), penalties, fines, obligations, judgments, costs of investigation, attorney's fees, expert's fees and disbursements of any kind or of any nature whatsoever, claims, actions, causes of action, demands, filings, investigations, and all costs of any administrative proceedings, arbitrations, settlements, mediations, suits or other legal proceedings.

b) Seller shall indemnify, defend and hold Buyer, its directors, officers, employees, agents and representatives and Affiliated or parent companies (which additional parties are hereinafter collectively referred to as the "Buyer Indemnified Parties") harmless from any and all Claims arising out of, related to, or in connection with (i) Seller's ownership of the Assets prior to the Effective Date; (ii) Seller's operations of the Leases prior to the Effective Date; (iii) the Purchase Price paid by Buyer to Seller in consideration for the Assets of the Seller; and (iv) Seller's breach of any of its representations, warranties, covenants or agreements contained in this Agreement. Provided, however, Buyer shall assume all prospective regulatory compliance with respect to the lease, wells and equipment including ultimate well plugging obligations.

15. Due Diligence. Buyer shall have reasonable access to Seller's records pertaining to the Assets, including, but not limited to, all title opinions related to the Leases, and may conduct, at its sole cost, such title examination or investigation, and other examinations and investigations, as it may in its sole discretion choose to conduct with respect to the Assets in order to determine whether Defects (as below defined) exist. Should, as a result of such examinations and investigations, or otherwise, one or more matters come to Buyer's attention which it believes in good faith would constitute a Defect, Buyer shall promptly, but no later than three (3) days prior to Closing ("Notice Deadline"), notify Seller in writing (a "Notice") of any Defects. In addition to stating the nature of any Defects, Buyer's notice shall state whether Buyer: (a) is electing to terminate this Agreement due to the Defects, in which event the parties shall have no further obligation to one another, subject to Seller's right to cure Defects stated herein; (b) agrees to accept the Assets with the Defects; (c) Remove the Lease with the Defect from this agreement and reduce the purchase price by the amount allocated to said lease as set forth on Exhibit A. The term "Defect" as used in this Agreement shall mean if Seller's titled ownership of the Assets is such that, with respect to the Leases listed on Exhibit "A" hereto, Seller is entitled to: (i) receive a decimal share of the Hydrocarbons from all depths that is less than the decimal share identified as the "Net Revenue Interest" set forth on Exhibit "A" in connection with the Leases; or (ii) Seller's ownership of an Asset is subject to a lien other than (A) a lien for Taxes which are not yet delinquent or (B) liens which will be released at or before Closing. If Seller elects to cure an asserted Defect, Seller may, so long as Seller works diligently in good faith toward such a cure, extend Closing to another date as agreed upon in writing by the Parties, if necessary to cure the underlying asserted Defect at Seller's sole cost, risk and expense. Sellers covenant with the buyer that Buyers are the lawful owners of and have good title to the interest above assigned in and to said leases, estates, rights and property free and clear of all liens, encumbrances or adverse claims; that the above lease is a valid and subsisting lease on the land above described and all conditions necessary to keep the same in full force have been performed and that the Assignor will warrant and forever defend the same against all persons whomsoever lawfully claiming or to claim the same.

16. Third Party Saltwater Disposal Agreements. In the event third parties are utilizing the saltwater disposal well as identified in Exhibit "A", Seller shall provide Buyer copies of all third party agreements that relate to said saltwater disposal well and provide all information to Buyer necessary for Buyer to determine the terms and conditions governing any third party's use of the saltwater disposal well and associated facilities.

17. Costs. The parties shall share equally the closing costs, including the cost of recording the Assignment and Bill of Sale.

18. Amendment. This Agreement may be amended only by written instrument signed by the parties.

19. Execution. This Agreement may be executed and delivered by electronic means (email, facsimile, etc.) and when so executed and delivered shall be as effective as if manually signed and physically delivered.

20. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, administrators, executors, successors and assigns.

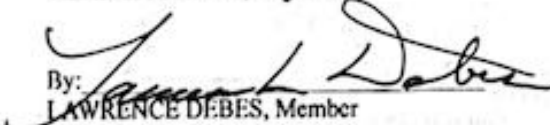
The parties acknowledge that the terms of this transaction were negotiated by the parties and that Bauer, Pike, Bauer, Wary, Carroll, & Gunn, L.L.C. has prepared this Purchase Agreement at the request of the parties, both of whom currently or in the past have been clients of the firm. The parties acknowledge that they have had the opportunity to obtain independent legal counsel in connection with the obligations incurred pursuant to the terms hereof.

IN WITNESS WHEREOF this Agreement is executed the day and year first above written.

Sellers

H&D EXPLORATION, LLC

By: 
ALAN HOFFMAN, Member

By: 
LAWRENCE DEBES, Member

Buyer

THOMAS GARNER, INC.

By: 
TOMAS GARNER, President

Exhibit A

H&D Exploration to Thomas Garner Inc

Lease Name	Lease KDOR # or SWD API	Legal	County	Lease Date	Lesser	Lessee	Book	Page	GWL Delivered	NRI Delivered	Purchase Price
Bartlett Zeigler	144160	10 Acre Tract in N/2 Sec. 29-T25S-R12W	Stafford	3/23/2012, 7/17/2010	Deron S. Bartlett & Deborah R. Bartlett, Anna Bell Zeigler	H&D Energy, LLC	229, 222	515, 47	0.1250000	0.104843740	
Bunker	144096	SE/4 Sec. 20-T25S-R12W	Stafford	7/17/2010, Extension 5/3/2013, 4/5/2011	Mary Beth Bunker, Joan Lee Clark, Mary Margaret Bunker	H&D Energy, LLC, J Fred Hambright	219, 223	624, 735	0.1562500	0.124804680	
Debes 2	140747	SE/4 Sec. 19-T25S-R11W	Stafford	2/1/10	Lawrence L. Debes & Sherry Lee Debes	Reif Drilling Co., LLC	216	340	0.1562500	0.131835940	
East Kirkpatrick Unit 1	146040	NW/4 Sec. 36-T24S-R13W	Stafford	7/7/14	Edward Lee Kirkpatrick and Mary Ann Kirkpatrick, Marsha Lou Wilkening & Dennis D. Wilkening	H&D Exploration, LLC	247	573	0.1250000	0.105668750	
Hearn Debes Unit 1	144798	10 Acre Tract in SW/4 Sec. 3-T25S-R12W & NW/4 Sec. 10-T25S-R12W	Stafford	1/25/2011, Extension 10/17/2013, 12/17/13	Brent G. Hearn & Marcella G. Hearn, Merlyn E. Hearn & Dana M. Hearn, Lawrence L. Debes & Sherry Lee Debes	H&D Energy, LLC, H&D Exploration, LLC	242, 243	18, 900	0.1250000	0.104843750	
Schmidt 1	140487	NW/4 Sec. 20-T25S-R11W	Stafford	10/16/06	Larry Schmidt	Reif Oil and Gas Co., LLC	194	565	0.1718750	0.145019530	
Zeigler 1	143841	NE/4 Sec. 29-T25S-R12W	Stafford	7/17/2010, Extension 4/25/2013	Anna Bell Zeigler	H&D Energy, LLC	222, 238	3, 47	0.1562500	0.131054680	
Zink 1	139982	SW/4 Sec. 20-T25S-R11W	Stafford	10/16/06	Larry Joe Zink & Laurie E. Zink	Reif Oil and Gas Co., LLC	194	567	0.2500000	0.210937490	
Julian SWD	15-185-23840-0001	NW/4 Sec. 28-T25S-R12W	Stafford	11/1/13	Marvin B. Julian and O-Ozelle aka Orelle Julian - ***SWD AGREEMENT***	H&D Energy, LLC	242	605	0.1250000	0.125000000	
Fritzscheier SWD	15-185-22075-0001	SE/4 Sec. 3-T25S-R12W	Stafford	3/25/14	Charles Fritzscheier & Kathleen Fritzscheier - ***SWD AGREEMENT***	H&D Exploration, LLC	245	615	0.1250000	0.125000000	