

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.: _____.
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.

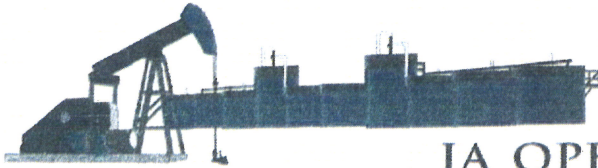
Select one of the following:

- ☐ 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: _____



IA OPERATING, INC.

785 West Covell Road, Suite 200 • Edmond, OK 73003

(316) 721-0036 • Fax (316) 721-0047 • (580) 242-3732

May 7, 2026

Nicholas D. Hess
Cobalt Energy, LLC
P.O. Box 8037
Wichita, KS 67208

Re: Lease Swap Purchase & Sale Agreement

Spring Creek #18-1
SE NE Sec. 18-T6S-R25W
Graham County, Kansas

Catherine #1-4
SW NE Sec. 4-T12S-R19W
Ellis County, Kansas

Dear Nick,

IA Operating, Inc., et al, hereinafter referred to as the "First Party", and Cobalt Energy, LLC, et al, hereinafter referred to as the "Second Party" have hereby agreed to swap all of their right, title and interest in and to the oil and gas leases, production, personal property, equipment and contract rights in and to the above-referenced wells and lands (collectively, the "Properties"), more fully described on the attached Exhibit 'A', subject to the following terms and conditions:

1. The purchase price of the Properties is \$25,000.00 for each well and the associated leasehold and equipment, although no actual cash will change hands as the parties have agreed to swap their interests in the Properties. Said Properties and all associated equipment will be exchanged in their present condition and location on an as-is and where-is basis. No warranty by either party is expressed or implied.
2. The effective date of the proposed transaction is 7:00 a.m., C.S.T., on June 1, 2026.
3. Closing for the transaction contemplated herein shall take place on or before June 15, 2026, or as soon as practicable thereafter or by other arrangements made by mutual agreement between the parties.

The First Party, and all of its working interest partners, shall deliver at closing executed and acknowledged conveyances of the property on the form attached hereto as Exhibit 'B' executed in favor of the Second Party, executed Change of Operator forms (KCC form T-1) naming the Second Party as operator (Operator License #34518) of the associated well and turn over possession of the property to Buyer.

Likewise, the Second Party, and all of its working interest partners, shall deliver at closing executed and acknowledged conveyances of the property on the form attached hereto as Exhibit 'C' executed in favor of the First Party, executed Change of Operator forms (KCC form T-1) naming the First Party as operator (Operator License #31930) of the associated well and turn over possession of the property to Buyer.

At closing, the First Party and the Second Party will exchange copies of all of its land, legal, well, log, environmental and engineering files along with division orders and any other related data for the Properties.

4. This offer is subject to (i) an in-depth review of and each parties satisfaction with respect to each well's performance, operating costs, contractual obligations and any other salient factors that may have a material, adverse impact on the value of the Properties; (ii) each parties verification of working interest ownership and associated assignments, and the acceptability of associated titles; (iii) verification that there are no material claims, liens or encumbrances against the Properties and that each party can convey merchantable title to the Properties.

The First Party and Second Party hereby agree to exchange each others records, without limitation, lease files, title files, division order files, well files, production records, equipment inventories, environmental records, accounting records and legal files applicable to the Properties.

5. All claims and liabilities, arising prior to, or as a result of incidents prior to the effective date, including environmental liabilities, shall be the responsibility of the party who owned the property at the time of said incident and each party shall indemnify one another against such claims and liabilities. All claims and liabilities arising after, and due to incidents after the effective date, shall be the responsibility of the new owner and each party shall indemnify one another against such claims and liabilities.
6. Each party will be responsible for payment of property taxes for 2025 and all prior years. Property taxes for 2026 and all future years will be the responsibility of the owner of each lease after the closing of this transaction. ✓

7. The First Party and the Second Party shall deliver assignments from 100% of their working interest owners in each lease and both parties agree that this agreement will not be binding unless 100.00% consent from said owners is secured. ✓

If you agree to the foregoing terms and conditions, please so indicate by signing in the space provided below and returning one (1) originally signed copy of this letter to the letterhead address by May 15, 2026, at which time this offer expires if not accepted by Buyer.

If you have any questions, or require any additional information, please contact me at the telephone number referenced above.

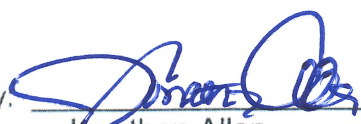
Sincerely,

IA OPERATING, INC.


Jonathan Allen
President

ACCEPTED and AGREED TO this 22 day of May, 2026.

IA Operating, Inc.

By: 
Jonathan Allen
President

Cobalt Energy, LLC

By: 
Nicholad D. Hess
Managing Member

EXHIBIT 'A'

ATTACHED TO AND MADE A PART OF THAT CERTAIN LEASE SWAP PURCHASE AND SALE AGREEMENT DATED MAY 7, 2026, AND EFFECTIVE JUNE 1, 2026, MADE BY AND BETWEEN IA OPERATING, INC., et al AND COBALT ENERGY, LLC, et al.

The oil and gas leases covered under the terms of this agreement shall be as follows:

Spring Creek #18-1

Lease A: Lessor: Black Stone Minerals Company, L.P. by its General Partner,
BSMC GP, L.L.C., AND Matagorda B1 LP, by Black Stone Minerals
Company, L.P., its Attorney-in-Fact
Lessee: J. Fred Hambright, Inc.
Dated: February 23, 2016
Referenced in that certain Memorandum of Oil and Gas Lease
Recorded: Book 274, Page 671-673
Description: Township 6 South, Range 25 West
Section 17: W/2NW/4 & W/2E/2NW/4
Section 18: NE/4
Graham County, Kansas

Lease B: Assignment of Oil and Gas Lease
Assignor: J. Fred Hambright, Inc.
Assignee: IA Operating, Inc.
Dated: March 31, 2016
Recorded: Book 274, Page 816
Description: Township 6 South, Range 25 West
Section 17: W/2NW/4 & W/2E/2NW/4
Section 18: NE/4
**Limited from the surface of the Earth to the base of the Arbuckle
Formation
Graham County, Kansas

Catherine #1-4

Lease C: Lessor: Richard M. Seitz, a single person
 Lessee: Cobalt Energy, LLC
 Date: January 22, 2020
 Recorded: Book 961, Page 134
 Description: N/2 Section 4-T12S-R19W
 Ellis County, Kansas

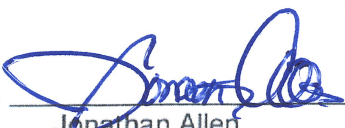
Lease D: Lessor: Catherine Ann Barnhart, a single person
Lessee: Cobalt Energy, LLC
Date: January 22, 2020
Recorded: Book 960, Page 253
Description: N/2 Section 4-T12S-R19W
Ellis County, Kansas

Lease E: Lessor: Catherine Ann Seitz Steinberg and Joel L. Steinberg, husband & wife
Lessee: Cobalt Energy, LLC
Date: January 22, 2020
Recorded: Book 959, Page 136
Description: N/2 Section 4-T12S-R19W
Ellis County, Kansas

Lease F: Lessor: Victoria Ann Seitz, Trustee of the Seitz Living Trust U/A/D 12-16-14
Lessee: Cobalt Energy, LLC
Date: January 22, 2020
Recorded: Book 958, Page 882
Description: N/2 Section 4-T12S-R19W
Ellis County, Kansas

Lease G: Lessor: Patricia Ann Seitz, a married person
Lessee: Cobalt Energy, LLC
Date: January 22, 2020
Recorded: Book 959, Page 440
Description: N/2 Section 4-T12S-R19W
Ellis County, Kansas

IA OPERATING, INC.

By: 
Jonathan Allen
President

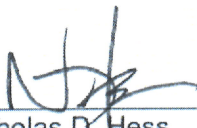
By: 
Nicholas D. Hess
Managing Member

Exhibit 'A'

Attached to and made a part of that certain Lease Swap Purchase and Sale Agreement dated May 7, 2026 and effective June 1, 2026 made by and between IA Operating, Inc., et al and Cobalt Energy, LLC, et al.