

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 1 **
- ☐ 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: Cherry Creek Niobrara Gas Area

**** Side Two Must Be Completed.**

Effective Date of Transfer: 07/24/2026

KS Dept of Revenue Lease No.: 219171

Lease Name: SHAY

_____ - _____ - _____ - _____ Sec. 34 Twp. 2 R. 39 ☐ E ☒ W

Legal Description of Lease:

S34-T2S-R39W E/2 and the SW/4 less the following described tract: A tract of land in the Southwest Quarter of the Southwest Quarter (SW/4, SW/4) of Section Thirty-Four (34), Township Two (2) South, Range Thirty-nine (39) West of the 6th P.M., more particularly described as follows: Commencing at the Southwest Corner of Section Thirty-Four (34), Township Two (2) South, Range Thirty-Nine (39) West; thence north along the west line of said Section 34 a distance of Eight Hundred, Twenty-Five Feet (825'); thence east and parallel with the south line of said

County: Cheyenne

Production Zone(s): Niobrara

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. 35260

Contact Person: _____

Past Operator's Name & Address: Clearwater Oil & Gas, LLC

Phone: ()

411 CLEVELAND ST #281 CLEARWATER, FL 33755-4004

Date: _____

Title: Authorized KOLAR Agent

Signature: _____

New Operator's License No. 36321

Contact Person: Sean C. Brewer

New Operator's Name & Address: KANILCO Energy Company

Phone: (970)502-0370

2840 W 21ST STREET UNIT 4 GREELEY, CO 80634-6651

Oil / Gas Purchaser: Southern Star

New Operator's Email: kanilco@comcast.net

Date: 07/30/2026

Title: Authorized KOLAR Agent

Signature: Sean Brewer

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 09/10/2026 PRODUCTION _____ UIC _____

KDOR Lease No.: 219171

[illegible]

* 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 # 36321
Name: KANILCO Energy Company
Address 1: 2840 W 21ST STREET UNIT 4
Address 2: _____
City: GREELEY State: CO Zip: 80634 + 6651 _____
Contact Person: Sean C. Brewer
Phone: (970) 502-0370 Fax: (_____) _____
Email Address: kanilco@comcast.net

Well Location:
_____ - _____ - _____ Sec. 34 Twp. 2 S. R. 39 ☐ East ☒ West
County: Cheyenne
Lease Name: SHAY Well #: See T1 Side Two

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

S34-T2S-R39W E/2 and the SW/4 less the following described tract: A tract of land in the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section Thirty-Four (34), Township Two (2) South, Range Thirty-nine (39) West of the 6th P.M., more particularly described as follows: Commencing at the Southwest Corner of Section Thirty-Four (34), Township Two (2) South, Range Thirty-Nine (39) West; thence north along the west line of said Section 34 a distance of Eight Hundred, Twenty-Five Feet (825'); thence east and parallel with the south line of said Section 34 a distance of Five Hundred, Twenty-Eight Feet (528'); thence south and parallel with the west line of said Section 34 a distance of Eight Hundred, Twenty-Five Feet (825') to the south line of said Section 34; thence west along the south line of said Section 34 a distance of Five Hundred, Twenty-Eight Feet (528') to the point beginning, said tract consisting of approximately 10 acres more or less.

Surface Owner Information:

Name: Rodney W. Shay Revocable Trust c/o Rodney Shay
Address 1: P.O. Box 576
Address 2: _____
City: St. Francis State: KS Zip: 67756 + _____

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: 07/30/2026 Signature of Operator or Agent: Sean Brewer Title: Authorized KOLAR Agent



REGISTER OF DEEDS, CHEYENNE COUNTY KANSAS
JEANNE D. DUNN
Book: 240 Page: 269
Receipt #: 15368
Pages Recorded: 3
Recording Fee: \$55.00

Date Recorded: 6/3/2026 4:50:00 PM

Jeanne D. Dunn

GAS LEASE

This Oil and Gas Lease (the "Lease") is dated **June 1st, 2026** (the "Effective Date"). The parties to this Lease are **The Rodney W. Shay Revocable Trust Dated January 31, 2020**, as Lessor (whether one or more), whose address is **PO Box 576 St. Francis, Kansas 67756**, and **KANILCO Energy Company**, as Lessee, whose address is **2840 W, 21st Street Unit 4 Greeley, CO 80634**.

1. For the consideration of **One or more (\$1+)** Dollars, the receipt of which Lessor acknowledges, and Lessee's covenants and agreements in this Lease, Lessor grants, leases, and lets exclusively to Lessee, the lands described below (the "Lands"), for the purpose of carrying on geological, geophysical, or other exploration work, core drilling and the drilling, and operating for, producing, and saving gas, and other associated hydrocarbons, and for constructing roads, laying pipelines, building tanks, storing associated hydrocarbons, building power stations, telephone lines, and other structures necessary or convenient for the economical operation of the Lands and to produce, save, and take care of the gas produced. The Lands are located in **Cheyenne County, Kansas**, and are described as follows:

Township 2 South, Range 39 West

✓ **Section 34: E/2 and the SW/4 less the following described tract:**

A tract of land in the Southwest Quarter of the Southwest Quarter (SW/4, SW/4) of Section Thirty-Four (34), Township Two (2) South, Range Thirty-Nine (39) West of the 6th P.M., more particularly described as follows: Commencing at the Southwest Corner of Section Thirty-Four (34), Township Two (2) South, Range Thirty-Nine (39); thence north along the west line of said Section 34 a distance of Eight Hundred, Twenty-Five Feet (825'); thence east and parallel with the south line of said Section 34 a distance of Five Hundred, Twenty-Eight Feet (528'); thence south and parallel with the west line of said Section 34 a distance of Eight Hundred, Twenty-Five Feet (825') to the south line of said Section 34; thence west along the south line of said Section 34 a distance of Five Hundred, Twenty-Eight Feet (528') to the point beginning, said tract consisting of approximately 10 acres more or less.

provided however, that no well under the terms of this lease shall be completed or produced from not more than fifty feet (50') above the top of the Niobrara Formation and from not more than fifty feet (50') below the base of the Niobrara Formation.

The Lands are deemed to contain **470** acres, whether they contain more or less.

2. This Lease shall remain in force for a primary term of **1** year (the "Primary Term") from the Effective Date and as long thereafter as gas and other associated hydrocarbons are, or can be produced from the Lands.

3. Lessee shall pay Lessor as royalty **Fifteen Percent (15%)** of the proceeds from the sale of gas, at the mouth of the well, where gas is produced. Where there is a gas well or wells on the Lands subject to this Lease, whether before or after the Primary Term, and the well or wells are shut-in and there is no other production, drilling operations or other operations being conducted on the Lands capable of keeping this Lease in force under any of its terms or provisions, Lessee may pay as royalty to Lessor (and if within the Primary Term such payment shall be in lieu of delay rentals) the sum of \$1.00 per year per acre of the Lands then subject to this Lease (the shut-in royalty). Payments of shut-in royalty are to be made on or before the anniversary date of this Lease. Upon payments being made this Lease shall be deemed to be maintained in full force and effect.

4. If operations for the drilling of a well for oil or gas are not commenced on the Lands on or before **June 1st, 2027** (the "Rental Payment Date"), this Lease shall terminate unless Lessee, before that date, pays or tenders to Lessor the sum of **\$470** Dollars ("Rentals") which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may be further deferred for like successive periods

until the end of the Primary Term. All payments or tenders may be made by check or draft of Lessee or Lessee's assigns, mailed or delivered on or before the Rental Paying Date, directly to Lessor. Lessor agrees the consideration provided in paragraph 1. covers not only the privileges granted by this Lease from the Effective Date to the first Rental Payment Date but also Lessee's option of extending that period, and all other rights conferred in this Lease. Notwithstanding the death of the Lessor or his/her successors in interest, the payment or tender of Rentals shall be binding on the heirs, devisees, executors, and administrators of Lessor.

5. If at any time prior to the discovery of gas or associated hydrocarbons on the Lands, and during the Primary Term, Lessee drills a dry hole or holes on the Lands, this Lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing Rental Paying Date, or Lessee begins or resumes the payment of Rentals.

6. If Lessor owns a lesser interest in the Lands than the entire and undivided fee simple estate in the minerals, any royalty and Rentals which may be due or payable shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee. Lessee's failure to proportionately reduce Rentals shall have no effect on the right to reduce royalties to correspond with Lessor's actual interest in the mineral estate in the Lands.

7. Lessee is granted the right to use, free of cost, gas and water found on or under the Lands, for all of Lessee's operations, except water from Lessor's wells. When required by Lessor, Lessee will bury its pipelines crossing those portions of the Lands that are under cultivation below ordinary plow depth, and pay for damages caused by its operations to growing crops on the Lands. No well shall be drilled nearer than 200 feet to any house or barn located on the Lands on the Effective Date without the written consent of Lessor. Lessee has the right at any time during or after the expiration of this Lease, but is under no obligation, to remove all machinery, fixtures, buildings, and other structures placed on the Lands, including the right to draw and remove all casing. Lessee has no obligation to restore the surface of the Lands to its original condition where any alterations or changes were due to operations reasonably necessary under this Lease.

8. If the estate of either party is assigned, the privilege of assigning in whole or in part being expressly allowed, the terms of this Lease shall extend to the party's heirs, devisees, executors, administrators, successors, and assigns. No change of ownership in the Lands, Rentals or royalties, or any sum due under this Lease shall be binding on the Lessee until 60 days after it has been furnished with written notice of the change accompanied by the original recorded instrument or certified copy of the conveyance, a certified copy of the Will and probate proceedings of any deceased owner, or a certified copy of the proceedings showing the appointment of an administrator of the estate of any deceased owner, whichever is appropriate, together with all recorded instruments of conveyance or certified copies necessary to show a complete chain of title to the interest claimed. All advanced payment of Rentals made before the end of the 60-day period following Lessee's receipt of documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of Lessor.

9. No change or division in the ownership of the Lands, Rentals, or royalties, however accomplished, shall enlarge the obligation or diminish the rights of the Lessee. In the event of an assignment in whole or in part by Lessee, the liability for breach of any obligation of this Lease shall rest exclusively on the owner of the portion of the Lease committing the breach. Lessee has no obligation to offset wells on separate tracts into which the Lands may be divided by sale, devise, descent or otherwise, or to furnish separate measuring devices or tanks. If this Lease is assigned as to a segregated part or parts of the Lands and the holders or owners of any part is in default in the payment of the proportionate part of the Rentals due, the default shall not operate to affect this Lease insofar as it covers a part of the Lands on which Lessee or any other assignee makes timely payment of Rentals. If six or more parties become entitled to royalty payments, Lessee may withhold payment until furnished with a recordable instrument executed by all the parties designating an agent to receive payment of royalties for all the parties.

10. Lessor warrants and agrees to defend title to the Lands and agrees Lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages or other liens existing, levied or assessed on or against the Lands. If Lessee exercises this option it shall be subrogated to the rights of any holder or holders of the liens or claims and may reimburse itself by applying to the amounts paid to discharge any mortgage, tax or other lien, any royalty, shut-in royalty, or Rentals accruing to the account of Lessor.

11. If Lessee commences operations for drilling at any time while this Lease is in force, this Lease shall remain in force and its terms shall continue so long as those operations are prosecuted. If production results from the operations, the Lease shall remain in effect as long as production continues.

12. At any time Lessee may surrender this Lease in whole or in part by delivering or mailing a release to the Lessor, or by placing the release of record in the county where the Lands are located. If the Lease is surrendered on only a portion of the Lands, all payments and liabilities that accrue as to the released portion of the Lands shall cease and any subsequent Rentals that may be paid may be apportioned on an acreage basis. As to the portion of the Lands not released, the terms and provisions of this Lease shall continue and remain in full force and effect for all purposes.

13. All provisions of this Lease, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations of all governmental agencies administering them. This Lease shall not in any way be terminated in whole or in part, nor shall Lessee be liable in damages for failure to comply with any of the express or implied provisions of this Lease if the failure results from any such laws, orders, rules or regulations. If Lessee is prevented from drilling a well during the last six months of the Primary Term by the order of any constituted authority having jurisdiction, or if Lessee is unable during that period to drill a well due to the unavailability of necessary equipment, the Primary Term of this Lease shall continue for six months after the order is suspended and/or the equipment is available. Lessee shall pay Rentals during this extended time.

This Lease and all its terms, covenants, and conditions shall extend to and be binding on all successors grantees and assigns of Lessor and Lessee.

This Lease is executed by Lessor as of the date of the acknowledgment of Lessor's signature, but shall be deemed effective for all purposes as of the Effective Date stated above.

The Rodney W. Shay Revocable Trust Dated January 31, 2020

Rodney W. Shay
Rodney W. Shay, Trustee

State of Kansas

County of Cheyenne

This GAS LEASE was acknowledged before me on June 3, 2026 by Rodney W. Shay, Trustee of The Rodney W. Shay Revocable Trust Dated January 31, 2020.

Cliff Leach

(Signature of notarial officer)

Title: Notary

My appointment expires: 2-14-2030

