

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

In the Matter of the responsibility of)	Docket No. 25-CONS-3324-CMSC
Running Foxes Petroleum, Inc. (Operator))	
for abandoned wells pursuant to K.S.A.)	CONSERVATION DIVISION
55-179.)	
_____)	License No. 33397

**MOTION TO JOIN NECESSARY PARTIES OR,
IN THE ALTERNATIVE, TO JOIN PROCEEDINGS**

Running Foxes Petroleum, Inc. (“Operator”) moves the Commission for an order requiring Cross Country Ventures, LLC and Glenda Cutler, in her individual capacity (collectively, “CCV”), to be joined in this Docket, or, in the alternative, for an order joining the above-captioned proceeding with the additional proceedings set forth herein. In support of this Motion, Operator states and alleges the following.

Kansas statutes address when parties are required to be joined to proceedings. Specifically, K.S.A. 60-219(a) provides in relevant part:

... A person who is subject to service of process **must be joined as a party** if:

(A) In that person's absence, the court cannot accord complete relief among existing parties; or

(B) that person claims an interest relating to the subject of the action and is so situated that disposing of the action in the person's absence may . . . (ii) leave an existing party subject to a substantial risk of incurring double, multiple or otherwise inconsistent obligations because of the interest.

(2) Joinder by court order. If a person has not been joined as required, the court must order that the person be made a party. . .

This Docket relates to plugging responsibility under K.S.A. 55-179(b) for the following six wells (“Guy Wells”):

- 1) Guy #I-1, API #15-037-01433
- 2) Guy #I-2, API #15-037-01434
- 3) Guy #5-28B-INJ, API #15-037-22325
- 4) Guy #23, API #15-037-01714
- 5) Guy #8, API #15-037-19395
- 6) Guy #25, API #15-037-01708

All of the Guy Wells are located on the Guy lease located in Section 28, Township 28 South, Range 22 East, Crawford County, Kansas.

In the Penalty Order entered in Docket No. 24-CONS-3280-CPEN, (“Docket 24-3280”), the Commission previously ordered that CCV is responsible for all of the Guy Wells.¹ In that Penalty Order the Commissioner further ordered CCV to “immediately shut-in all unplugged wells on its license” and “[i]f any unplugged wells remain... after 60 days from the date of this Order [April 11, 2024], then... Staff is directed to place the wells on the appropriate state plugging list, to plug according to priority and as funds allow, and to assess the plugging costs to Operator [CCV].”² In the Penalty Order entered in Docket No. 24-CONS-3370-CPEN (“Docket 24-3370”), the Commission ordered that CCV was responsible in 2023 for the care and control of three of the Guy Lease injection wells, specifically the Guy #I-1, Guy #I-2, and Guy #5-28B-INJ.³

Operator has not owned nor operated the Guy Wells or the Guy lease for more than three years. Indeed, effective January 1, 2022, Operator sold all of its right, title, and interest in and to the Guy Wells and the Guy lease to CCV, at which time CCV became responsible for the Guy wells. The Purchase and Sale Agreement (“PSA”) attached to the Staff-approved T-1 Transfer of

¹ See Exhibit 1, Penalty Order, April 11, 2024, Ex. A, Docket No. 24-CONS-3280-CPEN, *In the matter of the failure of Cross Country Ventures, LLC (Operator) to comply with K.A.R. 82-3-120*.

² Exhibit 1, Penalty Order, Ordering Clause D(c).

³ See Exhibit 2, Penalty Order, May 30, 2024, ¶ 5, *In the matter of the failure of Cross Country Ventures, LLC (Operator) to report activity that occurred during the 2023 calendar year in compliance with K.A.R. 82-3-409*.

Operator Form transferring the Guy Wells from Operator to CCV lists all of the Guy Wells as being assigned from Operator to CCV.⁴

The provisions of the PSA included various requirements to ensure that CCV had undertaken full control and responsibility of the Guy Wells and the Guy lease. Specifically, Section 11.15 of the PSA provides that:

“In the event after closing and [CCV’s] acquisition of the wells listed in Exhibit A and Exhibit B (sic.) shall be liable both corporately and personally to plug said wells and hold [Operator] harmless to any costs incurred either through actions or requests by landowners, Kansas Corporation Commission, Environmental Protection Agency or any other governmental agency whether Township, County, State and Federal. [CCV] shall bear all costs of plugging and clean-up of said wells in Exhibit A and B.”⁵

As noted above, a T-1 showing an effective transfer date of February 10, 2022 (over three years ago), was properly completed, submitted, and approved by Staff, transferring responsibility for the Guy Wells from Operator to CCV.⁶

The binding obligations of the PSA are unambiguous, after CCV’s acquisition of the Guy Wells, any liability or costs related to plugging the Guy Wells—expressly including actions by the Kansas Corporation Commission—shall be born entirely by CCV. Under the contractual provisions of the PSA, Operator bears no responsibility or liability related to the Guy Wells, which it validly and properly sold over three years ago.

After the closing of the PSA, CCV operated the Guy lease and the Guy Wells, for a period of years, and produced and sold oil therefrom. It appears from Docket 24-3280, that CCV voluntarily abandoned its operation of the Guy lease and Guy Wells sometime recently. Based on the Staff’s motion to open this docket, it appears that Staff believes Operator should be punished

⁴ See Exhibit 3, PSA (all of the Guy Wells are listed on Exhibit “A” to PSA).

⁵ Exhibit 3, at Section 11.15.

⁶ See Exhibit 4, T-1 Transfer of Operator.

for CCV abdicating its obligations to the Commission, including ignoring the orders of this Commission in Docket 24-3280 and Docket 24-3370. Staff's actions are procedurally improper and inequitable towards Operator.

Joinder is Mandatory

Failing to join CCV in this Docket unduly prejudices Operator's rights, and violates the mandatory joinder provisions of K.S.A. 60-219. Specifically, as the operator of the Guy Wells for the previous three years, CCV would be the only party in possession of the direct evidence that would exonerate Operator from responsibility for plugging the Guy Wells.⁷ Yet, CCV was not made party to these proceedings. Moreover, even if Operator were somehow responsible for the plugging of the Guy Wells, it has contractual recourse against CCV under the PSA that would absolve it of plugging responsibility.⁸

CCV must be joined in this Docket under Kansas law, because (a) without CCV, the Commission cannot accord complete relief among the parties, and (b) disposing of this action without CCV would leave Operator subject to a substantial risk of incurring double, multiple or otherwise inconsistent obligations.⁹ The Commission has already ordered CCV to plug the Guy Wells. Yet, Staff seeks to have the same order entered against Operator in this Docket. Accordingly, joinder is mandatory as Operator and CCV each stand substantial risk of being held responsible for the same actions. Further, Operator has both contractual rights against CCV and statutory protections from CCV's obligations, that cannot be adjudicated without CCV being required to participate in discovery and providing testimony. As such, complete relief among the parties cannot be provided without joining CCV.

⁷ See, K.S.A. 55-179(b)(2). Operator can have no plugging responsibility if CCV produced or injected into the Guy Wells, or if the Guy Wells were physically operating or otherwise compliant at the time the T-1 was approved.

⁸ See, n. 5, *supra*.

⁹ K.S.A. 60-219(a)(1) and (2).

If, for whatever reason, joining CCV is not feasible, then the Commission must consider “whether, in equity or good conscience, the action should proceed or be dismissed as to Operator.”¹⁰ The prescribed factors supporting such dismissal include “the extent to which a judgment rendered in [CCV’s] absence might prejudice [Operator]”¹¹, and “whether [Staff] would have an adequate remedy if the action were dismissed for nonjoinder”¹²

As to the former factor, it cannot be argued that Operator will not be prejudiced by proceeding without joining CCV. First, Operator unquestionably has no contractual obligation to plug the Guy Wells, that obligation lies with CCV. Second, Operator will be unable to adequately defend itself in this Docket if it cannot obtain direct evidence regarding the operation of the Guy Wells during the three years after it sold them to CCV. Third, the Commission must take into account the fact that Operator has no right to enter upon the land covered by the Guy lease to plug the Guy Wells. Operator assigned those rights to CCV several years ago, and cannot come onto that land without committing the strict-liability tort of trespass. If trespass were ordered, then the owner of the lands covered by the Guy lease would have its property rights violated without due process afforded them.

As to the latter factor, the Commission has already ordered the Guy Wells to be put on the state plugging list¹³, which is not only an adequate remedy, but the same remedy sought by these proceedings. Additionally, the costs of said plugging have already been assessed to CCV, a formerly duly-licensed operator.¹⁴ As such, there are adequate remedies if this Docket were

¹⁰ K.S.A. 60-219(b).

¹¹ K.S.A. 60-219(b)(1).

¹² K.S.A. 60-219(b)(4).

¹³ Exhibit 1, at Ordering Clause D(c) (“Staff is directed to place the wells on the appropriate state plugging list... and to assess the plugging costs to [CCV].

¹⁴ See n. 17, *supra*.

dismissed, specifically the complete and total remedy that has already been entered against CCV in Docket 24-3280.

Based upon the foregoing authorities and reasons, that the Commission should enter an order requiring Staff to join CCV. If joinder of CCV is not feasible, then the Commission should dismiss this Docket.

Joinder is Permissive

Kansas law provides for the permissive joinder of CCV in this Docket. Under K.S.A. 60-220(a)(2), joinder of defendants is permissive when:

...(A) Any right to relief is asserted against [operators] jointly, severally or in the alternative with respect to or arising out of the same transaction, occurrence or series of transactions or occurrences; and

(B) any question of law or fact common to all defendants will arise in the action....

Here, the Commission has already ordered a right to relief against CCV for the plugging and associated costs associated with the Guy Wells. Staff now seeks identical relief for identical wells against Operator, which arise entirely out of the conduct of CCV. Given that CCV has already been expressly ordered to bear the plugging obligation and related financial obligations related to the Guy Wells, an identical order entered against Operator would inherently be jointly, severally or in the alternative to the same transaction, occurrences or series of transactions or occurrences--specifically the plugging obligations associated with the Guy Wells. The requirement set forth in subsection K.S.A. 60-220(a)(2)(A) is satisfied to the joint, several, or alternative nature and right to relief asserted against Operator as it relates to the Guy Wells, especially in light of the prior order for identical relief entered against CCV, and justify permissive joinder.

The second condition under K.S.A. 60-220(a)(2)(B) to enable permissive joinder is if a question of law or fact common to all defendants will arise in the action. There are several common questions that loom over this proceeding, chief amongst those is the expansive interpretation of K.S.A. 55-179(b)(2) advanced by Staff in its Motion to open this Docket. That legal question centers around whether the KCC can impose liability arising out of the failure of a current operator to comply with applicable law onto a former operator who years ago validly, lawfully, and properly sold, transferred, and assigned all of its rights and interests in certain wells to the successor operator--and how far back that chain can go. Another legal question relates to the nature of the relief sought and who is legally permitted to enter upon the lands subject to the Guy lease in order to plug the Guy Wells. It is undisputed that Operator assigned all of its rights to enter upon those lands to CCV and any relief seeking plugging the wells should include an evaluation of who actually has the current legal ability to perform that action.

These two legal questions satisfy the conditions set forth in subsection K.S.A. 60-220(a)(2)(B), and justify permissive joinder.

For these reasons, the requirements for permissive joinder are met and good cause exists for the Commission to exercise its discretion and join CCV to this proceeding to fully evaluate these common questions of law and fact and determine the propriety of the relief sought against Operator when it is identical to the relief already ordered against CCV.

Joinder of Proceedings is Permitted

In addition to the mandatory and permissive joinder of parties, KCC regulations permit the joinder of proceedings. Pursuant to K.A.R. 82-1-224(a)-(d):

...(a) For good cause shown, the joinder of any proceeding with another proceeding may be permitted by the commission. However, issues that are not germane to each other and that require separate and distinct proof shall not be joined in the same proceeding.

- (b) Two or more dockets may be consolidated by the commission for hearing on a common record if the commission deems it to be in the public interest to do so.
- (c) The broadening of issues may be permitted by the commission in any proceeding before the commission.
- (d) Two or more grounds of complaint involving the same purposes, subjects, or statement of facts may be included in one complaint, but shall be separately stated and numbered....

A proceeding already exists which expressly evaluates CCV's relationship to the Guy Wells and CCV's liability related to plugging the Guy Wells--Docket 24-3280. The remedies sought against Operator in this Docket are identical to remedies already obtained against CCV in Docket 24-3280 insofar as they relate to the Guy Wells. Joinder of proceedings would be beneficial to avoid contradictory or duplicative results, and should be ordered by the Commission.

WHEREFORE, Operator respectfully requests that the Commission enter an order joining CCV to the above-captioned proceeding, or dismissing this docket if joinder is not feasible; or in the alternative, for an order permissively joining these proceedings with those in Docket 24-3280; and for such other and further relief as the Commission deems equitable or appropriate by law.

Respectfully submitted,

MORRIS LAING LAW FIRM

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CERTIFICATE OF SERVICE

The undersigned hereby certify that on this 8th day of May, 2025, I caused the original of the foregoing **Motion to Join Necessary Parties or, In the Alternative, To Join Proceedings** to be electronically filed with the Conservation Division of the State Corporation Commission of the State of Kansas, and emailed true and correct copies of the same to the following individuals:

Jonathan R. Myers, Assistant General Counsel
Kansas Corporation Commission
266 N. Main St., Ste. 220
Wichita, KS 67202-1513
jon.myers@ks.gov

Kelcey Marsh, Litigation Counsel
Kansas Corporation Commission
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/s/ Jonathan A. Schlatter
Jonathan A. Schlatter

EXHIBIT 1

well is shut in or idle. K.A.R. 82-3-120(a)(2) provides that each licensee shall annually submit a completed license renewal form on or before the expiration date of the current license.

4. K.A.R. 82-3-120(k) provides that failure to obtain or renew an operator license before operating shall be punishable by a \$500 penalty.

II. FINDINGS OF FACT

5. On February 28, 2024, Operator's license expired. Operator is responsible for the wells (Subject Wells) identified in Exhibit A.

6. On March 11, 2024, Commission Staff sent a letter to Operator, requiring Operator to renew the license, transfer the Subject Wells to another operator, or plug the Subject Wells, by March 25, 2024.¹ To date, Operator has not complied with Staff's letter.

III. CONCLUSIONS OF LAW

7. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

8. Operator has committed one violation of K.A.R. 82-3-120(a) because Operator remains responsible for the Subject Wells, and Operator's license is expired.

THEREFORE, THE COMMISSION ORDERS:

- A. Operator shall pay a \$500 penalty.
- B. Operator shall immediately shut-in all unplugged wells on its license, and cease oil and gas operations, until Operator is in compliance with this Order.
- C. Operator has 30 days from the date of this Order to:
 - a. Renew its license or obtain a new license and transfer the Subject Wells to that license; or

¹ Exhibit A.

- b. Transfer the Subject Wells to another operator by filing the appropriate forms with the Commission; or
- c. Plug the Subject Wells.

D. If any unplugged wells remain on Operator's expired license after 60 days from the date of this Order, then:

- a. Operator shall pay an additional \$5,000 penalty;
- b. Staff shall revoke any injection authorizations applicable to Operator; and
- c. Staff is directed to place the wells on the appropriate state plugging list, to plug according to priority and as funds allow, and to assess the plugging costs to Operator. This shall not preclude Staff from investigating additional potentially responsible parties.

E. Operator may request a hearing on the above issues by submitting a written request, pursuant to K.S.A. 55-164, K.S.A. 77-537, and K.S.A. 77-542, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. A request for hearing must comply with K.A.R. 82-1-219.

F. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be suspended without further notice, shall remain suspended until Operator complies, and Staff may seal the wells on Operator's license until Operator is in compliance. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding


license suspension. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).²

G. Credit card payments may be made by calling the Conservation Division at 316-337-6200. Checks and money orders shall be payable to the Kansas Corporation Commission. Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. Payments must reference the docket number of this proceeding.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 04/11/2024



Lynn M. Retz
Executive Director

Mailed Date: 04/11/2024

TSK

² See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

NOTICE OF VIOLATION

March 11, 2024

Cross Country Ventures LLC
1079 X RAY RD
CHETOPA, KS 67336-8994

Re: Unplugged Well(s) on Expired License #35916

Operator:

Unplugged well(s) are on your expired license, **which violates K.A.R. 82-3-120**. Attached is a list of the unplugged well(s). Please do one of the following:

- Renew your license, or obtain a new license and transfer the well(s) to that license,
- Transfer the well(s) to another operator by filing T-1 forms with the Commission, or
- File Well Plugging Application (CP-1) form(s) and plug the well(s).

Your deadline is March 25, 2024.

If you do not correct this violation, I will recommend a Commission Order with a \$500 penalty. The Order would also require you to plug the well(s) within 60 days. Failure to comply with the Order would automatically result in the Commission levying additional penalties against you, directing Staff to plug the wells, and assessing plugging costs to you.

You must immediately shut-in all wells and cease oil and gas operations until compliance is achieved.

For help renewing or obtaining a license, contact Nancy Borst at 316-337-6200.

For help transferring wells, contact Deanna Garrison at 316-337-6209.

For help with CP-1 forms, contact CeLena Peterson at 316-337-6035.

If you have further questions, you may contact me by calling our main number at the top of this letter.

Sincerely,

Nancy D. Borst
Licensing Department

Exhibit A

Cross Country Ventures LLC License: 35916

<u>Unplugged Wells on Operator's License</u>				
API Well #	Lease Name / Well #		Well Location	County
15-037-01433-00-00	GUY	I-1	28-28S-22E, SWSWNW	CRAWFORD
15-037-01434-00-00	GUY	I-2	28-28S-22E, SWSWNW	CRAWFORD
15-037-01705-00-00	GUY	22	28-28S-22E, SENENW	CRAWFORD
15-037-01706-00-00	GUY	23	28-28S-22E, NWNESENW	CRAWFORD
15-037-01707-00-00	GUY	24	28-28S-22E, SESENW	CRAWFORD
15-037-01708-00-00	GUY	25	28-28S-22E, SWSENW	CRAWFORD
15-037-01710-00-00	GUY	7	28-28S-22E, SESENW	CRAWFORD
15-037-01711-00-00	GUY	13	28-28S-22E, SWNESWNW	CRAWFORD
15-037-01712-00-00	GUY	16	28-28S-22E, SESWNW	CRAWFORD
15-037-01713-00-00	GUY	18	28-28S-22E, NWSENW	CRAWFORD
15-037-01714-00-00	GUY	23	28-28S-22E, NESENW	CRAWFORD
15-037-19388-00-00	GUY	1	28-28S-22E, SWSWNW	CRAWFORD
15-037-19389-00-00	GUY	2	28-28S-22E, SESWNW	CRAWFORD
15-037-19390-00-00	GUY	3	28-28S-22E, SWSENW	CRAWFORD
15-037-19391-00-00	GUY	4	28-28S-22E, SESWSWNW	CRAWFORD
15-037-19392-00-00	GUY	5	28-28S-22E, SESWSWNW	CRAWFORD
15-037-19393-00-00	GUY	6	28-28S-22E, SESENW	CRAWFORD
15-037-19394-00-00	GUY	7	28-28S-22E, SESENW	CRAWFORD
15-037-19395-00-00	GUY	8	28-28S-22E, SESENW	CRAWFORD
15-037-19396-00-00	GUY	9	28-28S-22E, NESENW	CRAWFORD
15-037-19397-00-00	GUY	10	28-28S-22E, NESENW	CRAWFORD
15-037-19398-00-00	GUY	11	28-28S-22E, SWSWNW	CRAWFORD
15-037-19399-00-00	GUY	12	28-28S-22E, SWSWNW	CRAWFORD
15-037-19400-00-00	GUY	13	28-28S-22E, SESWNW	CRAWFORD
15-037-19401-00-00	GUY	14	28-28S-22E, SESWNW	CRAWFORD
15-037-19402-00-00	GUY	15	28-28S-22E, SWSENW	CRAWFORD
15-037-19403-00-00	GUY	16	28-28S-22E, SESWNW	CRAWFORD

15-037-19404-00-00	GUY	17	28-28S-22E, NWSENW	CRAWFORD
15-037-19405-00-00	GUY	18	28-28S-22E, NWSENW	CRAWFORD
15-037-19406-00-00	GUY	19	28-28S-22E, SENENW	CRAWFORD
15-037-19408-00-00	GUY	21	28-28S-22E, SENENW	CRAWFORD
15-037-19409-00-00	GUY	WSW-1	28-28S-22E, SWSWNW	CRAWFORD
15-037-20441-00-00	GOLEY	1	17-28S-22E, NESESWSE	CRAWFORD
15-037-20442-00-00	GOLEY	2	17-28S-22E, NWSESWSE	CRAWFORD
15-037-20443-00-00	GOLEY	3	17-28S-22E, SESESWSE	CRAWFORD
15-037-20457-00-00	GOLEY	4	17-28S-22E, SWSESE	CRAWFORD
15-037-20458-00-01	GOLEY	5	17-28S-22E, SWSESE	CRAWFORD
15-037-20459-00-00	GOLEY	6	17-28S-22E, SWSESESE	CRAWFORD
15-037-20829-00-00	GUY	2	20-28S-22E, NENENWNE	CRAWFORD
15-037-20830-00-00	GUY	3	20-28S-22E, NWNWNENE	CRAWFORD
15-037-20831-00-00	GUY	4	20-28S-22E, SENWNENE	CRAWFORD
15-037-20832-00-00	GUY	5	20-28S-22E, SENENWNE	CRAWFORD
15-037-22320-00-00	GUY	5-28B-3	28-28S-22E, SWNWSWNW	CRAWFORD
15-037-22321-00-00	GUY	5-28B-4	28-28S-22E, SENWSWNW	CRAWFORD
15-037-22325-00-00	GUY	5-28B-INJ	28-28S-22E, NWSWNW	CRAWFORD
15-099-23303-00-00	BARR	B49	10-35S-21E, SENWSWNE	LABETTE
15-099-23304-00-00	BARR	B48	10-35S-21E, S2NWSWNE	LABETTE
15-099-23305-00-00	BARR	B47	10-35S-21E, SWNWSWNE	LABETTE
15-099-23306-00-00	BARR	B46	10-35S-21E, W2NWSWNE	LABETTE
15-099-23307-00-00	BARR	B45	10-35S-21E, W2NWSWNE	LABETTE
15-099-23308-00-00	BARR	B44	10-35S-21E, N2NWSWNE	LABETTE
15-099-23309-00-00	BARR	B43	10-35S-21E, W2SWNWNE	LABETTE
15-099-23310-00-00	BARR	B10	10-35S-21E, SWNESWNE	LABETTE
15-099-23311-00-00	BARR	B11	10-35S-21E, SWNESWNE	LABETTE
15-099-23312-00-00	BARR	B12	10-35S-21E, SENESWNE	LABETTE
15-099-23313-00-00	BARR	B13	10-35S-21E, E2NESWNE	LABETTE
15-099-23314-00-00	BARR	B14	10-35S-21E, SWNESWNE	LABETTE
15-099-23315-00-00	BARR	B15	10-35S-21E, SENWSWNE	LABETTE
15-099-23316-00-00	BARR	B16	10-35S-21E, E2NWSWNE	LABETTE
15-099-23317-00-00	BARR	B17	10-35S-21E, W2NESWNE	LABETTE
15-099-23318-00-00	BARR	B18	10-35S-21E, W2NESWNE	LABETTE
15-099-23319-00-00	BARR	B19	10-35S-21E, E2NESWNE	LABETTE
15-099-23320-00-00	BARR	B20	10-35S-21E, NENWSWNE	LABETTE
15-099-23321-00-00	BARR	B21	10-35S-21E, NWNESWNE	LABETTE
15-099-23322-00-00	BARR	B22	10-35S-21E, NENESWNE	LABETTE
15-099-23323-00-00	BARR	B23	10-35S-21E, NENESWNE	LABETTE
15-099-23324-00-00	BARR	B24	10-35S-21E, NENWSWNE	LABETTE

15-099-23325-00-00	BARR	B25	10-35S-21E, NWNESWNE	LABETTE
15-099-23326-00-00	BARR	B26	10-35S-21E, NWNESWNE	LABETTE
15-099-23327-00-00	BARR	B27	10-35S-21E, NENESWNE	LABETTE
15-099-23328-00-00	BARR	B28	10-35S-21E, SESWNWNE	LABETTE
15-099-23329-00-00	BARR	B29	10-35S-21E, SWSENWNE	LABETTE
15-099-23330-00-00	BARR	B30	10-35S-21E, SESENWNE	LABETTE
15-099-23331-00-00	BARR	B31	10-35S-21E, SESENWNE	LABETTE
15-099-23332-00-00	BARR	B32	10-35S-21E, SESWNWNE	LABETTE
15-099-23333-00-00	BARR	B33	10-35S-21E, SWSENWNE	LABETTE
15-099-23334-00-00	BARR	B34	10-35S-21E, W2SENWNE	LABETTE
15-099-23341-00-00	BARR	B42	10-35S-21E, SWNWNE	LABETTE
15-099-23344-00-01	BARR	N1U	10-35S-21E, S2NESWNE	LABETTE
15-099-23345-00-01	BARR	N1L	10-35S-21E, SWNESWNE	LABETTE
15-099-23346-00-01	BARR	N2U	10-35S-21E, NENESWNE	LABETTE
15-099-23347-00-01	BARR	N2L	10-35S-21E, E2NESWNE	LABETTE
15-099-23348-00-01	BARR	N3U	10-35S-21E, NESWNE	LABETTE
15-099-23349-00-01	BARR	N3L	10-35S-21E, NWNESWNE	LABETTE
15-099-23350-00-01	BARR	N4U	10-35S-21E, NWNESWNE	LABETTE
15-099-23351-00-01	BARR	N4L	10-35S-21E, NWNESWNE	LABETTE
15-099-23352-00-01	BARR	N5U	10-35S-21E, NENESWNE	LABETTE
15-099-23353-00-01	BARR	N5L	10-35S-21E, NENESWNE	LABETTE
15-099-23354-00-01	BARR	N6U	10-35S-21E, N2NWSWNE	LABETTE
15-099-23355-00-01	BARR	N6L	10-35S-21E, N2NWSWNE	LABETTE
15-099-23356-00-01	BARR	N7U	10-35S-21E, SWSENWNE	LABETTE
15-099-23357-00-01	BARR	N7L	10-35S-21E, S2SENWNE	LABETTE
15-099-23364-00-01	BARR	N11U	10-35S-21E, SWNWNE	LABETTE
15-099-23365-00-01	BARR	N11L	10-35S-21E, SWNWNE	LABETTE
15-099-23366-00-01	BARR	N12U	10-35S-21E, NWSWNE	LABETTE
15-099-23367-00-01	BARR	N12L	10-35S-21E, NWSWNE	LABETTE
15-099-23368-00-01	BARR	N13U	10-35S-21E, NWSWNE	LABETTE
15-099-23369-00-01	BARR	N13L	10-35S-21E, NWSWNE	LABETTE
15-099-23379-00-01	BARR	SWD 1	10-35S-21E, NENWSWNE	LABETTE

CERTIFICATE OF SERVICE

24-CONS-3280-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 04/11/2024.

NANCY BORST
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
n.borst@kcc.ks.gov

ATTN: CROSS COUNTRY VENTURES LLC
CROSS COUNTRY VENTURES LLC
1079 X RAY RD
CHETOPA, KS 67336-8994

TRISTAN KIMBRELL, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
t.kimbrell@kcc.ks.gov

/S/ KCC Docket Room
KCC Docket Room

EXHIBIT 2

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Andrew J. French, Chairperson
 Dwight D. Keen
 Annie Kuether

In the matter of the failure of Cross Country) Docket No.: 24-CONS-3370-CPEN
Ventures, LLC (Operator) to report activity)
that occurred during the 2023 calendar year in) CONSERVATION DIVISION
compliance with K.A.R. 82-3-409.)
_____) License No.: 35916

PENALTY ORDER

The Commission finds Operator has violated K.A.R. 82-3-409 at the wells identified in the attached Exhibit A, directs Operator to remedy the violations by filing past-due annual fluid injection reports, assesses a \$400 penalty, and further rules as more fully described below.

I. JURISDICTION

1. K.S.A. 74-623 provides the Commission exclusive jurisdiction and authority to regulate oil and gas activities in Kansas. K.S.A. 55-152 provides the Commission with jurisdiction to regulate the construction, operation, and abandonment of any well, and also the protection of the usable water of this state from any actual or potential pollution from any well. The Commission has licensing authority under K.S.A. 55-155.

2. K.S.A. 55-162 and K.S.A. 55-164 provide the Commission authority to issue penalty orders for violations of Chapter 55 of the Kansas Statutes Annotated, or of any rule, regulation, or order of the Commission. Under K.S.A. 55-164, a penalty order may include a monetary penalty of up to \$10,000, the penalty must constitute a substantial and actual economic deterrent to the violation, and each day of a continuing violation constitutes a separate violation.

3. K.A.R. 82-3-409(b) provides that each operator of an injection well shall submit a report to the Conservation Division, on a form required by the Commission, showing for the previous calendar year the following information:

- a. The monthly average wellhead pressure;
- b. The maximum wellhead pressure;
- c. The amount and kind of fluid injected into each well; and
- d. Any other performance information that may be required by the Conservation Division.¹

4. K.A.R. 82-3-409(b) further provides that the report shall be submitted on or before March 1 of the following year, and that failure to timely file an annual injection report shall be punishable by a \$100 penalty.

II. FINDINGS OF FACT

5. Operator was responsible in 2023 for the care and control of the injection wells listed in Exhibit A (Subject Wells).²

6. On April 19, 2024, Commission Staff sent a Notice of Violation (NOV) letter to Operator, stating that the Commission was not in receipt of the annual fluid injection reports for activity during the 2023 calendar year for the Subject Wells. The NOV letter gave a May 3, 2024, deadline for Operator to submit the reports and avoid a penalty.³

7. To date, Operator has failed to file the annual fluid injection reports for the Subject Wells, reporting activity during the 2023 calendar year.

¹ K.A.R. 82-3-409.

² Exhibit A.

³ Exhibit B.

III. CONCLUSIONS OF LAW

8. The Commission has jurisdiction over Operator and this matter under K.S.A. 74-623 and K.S.A. 55-152.

9. Operator has committed four violations of K.A.R. 82-3-409 because Operator failed to file the necessary annual fluid injection reports for the Subject Wells.

THEREFORE, THE COMMISSION ORDERS:

A. Operator shall pay a \$400 penalty.

B. Operator shall file the required annual fluid injection reports.

C. Operator may request a hearing on the above issues by submitting a written request, pursuant to K.S.A. 55-164, K.S.A. 77-537, and K.S.A. 77-542, to the Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202, within 30 days from the date of service of this Order. A request for hearing must comply with K.A.R. 82-1-219.

D. Failure to timely request a hearing will result in a waiver of Operator's right to a hearing. If no party timely requests a hearing, then this Order shall become final. If Operator is not in compliance with this Order and the Order is final, then Operator's license shall be suspended without further notice and shall remain suspended until Operator complies. The notice and opportunity for a hearing on this Order shall constitute the notice required by K.S.A. 77-512 regarding license suspension. A party may petition for reconsideration of a final order pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).⁴

E. Credit card payments may be made by calling the Conservation Division at 316-337-6200. Checks and money orders shall be payable to the Kansas Corporation Commission.

⁴ See K.S.A. 55-162; K.S.A. 55-164; K.S.A. 55-606; K.S.A. 55-707; K.S.A. 77-503(c); K.S.A. 77-531(b).

Payments shall be mailed to the Kansas Corporation Commission at 266 N. Main St., Suite 220, Wichita, Kansas 67202. Payments must reference the docket number of this proceeding.

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Kuether, Commissioner

Dated: 05/30/2024



Lynn M. Retz
Executive Director

Mailed Date: 05/30/2024

TSK

Exhibit A

Cross Country Ventures LLC License: 35916

Subject Wells				
API Well #	Lease Name/ Well #	Well Locations	County	UIC Permit
15-037-01433-00-00	GUY I-1	28-28S-22E, SWSWNW, 2654FSL 4975FEL	CRAWFORD	E04926.1
15-037-01434-00-00	GUY I-2	28-28S-22E, SWSWNW, 2650FSL 4639FEL	CRAWFORD	E04926.2
15-037-20458-00-01	GOLEY 5	17-28S-22E, SWSESE, 197FSL 877FEL	CRAWFORD	E34080.1
15-037-22325-00-00	GUY 5-28B-INJ	28-28S-22E, NWSWNW, 3557FSL 4898FEL	CRAWFORD	E32361.1

April 19, 2024

License No. 35916

Cross Country Ventures LLC
1079 X RAY RD
CHETOPA KS 67336-8994

NOTICE OF VIOLATION

Re: Annual Fluid Injection Report Form(s) - ("U3C Form")

Operator:

Commission records indicate that for the well(s) on the attached list,

We have not received the necessary U3C Form(s), reporting activity during the 2023 calendar year.

It is a violation of K.A.R. 82-3-409 for an operator to fail to submit a U3C Form in a timely manner. Forms reporting activity during the 2023 calendar year were due March 1, 2024.

**Failure to submit a complete, accurate U3C Form
for the well(s) on the attached list
by May 03, 2024
shall be punishable by a \$100 per-well administrative penalty.**

The information requested above must be submitted on KOLAR. If a U3C Form is returned to you as incomplete, you will not have additional time - the deadline above governs.

Forms must be filed regardless of whether injection occurred. If you were responsible for the well before December 31, 2023, even for only part of the year, you must still file a U3C Form.

Please contact me at (316) 337-6236 if you have any questions.

Sincerely,

Cheri Boyer, KCC Staff
Kansas Corporation Commission

List of Wells: Missing U3C Form

Permit	API Well #	Lease Name / Well #	Well Location	County
E04926.1	15-037-01433-00-00	GUY I-1	28-28S-22E, SWSWNW, 2654FSL 4975FEL	CRAWFORD
E04926.2	15-037-01434-00-00	GUY I-2	28-28S-22E, SWSWNW, 2650FSL 4639FEL	CRAWFORD
E34080.1	15-037-20458-00-01	GOLEY 5	17-28S-22E, SWSESE, 197FSL 877FEL	CRAWFORD
E32361.1	15-037-22325-00-00	GUY 5-28B-INJ	28-28S-22E, NWSWNW, 3557FSL 4898FEL	CRAWFORD

CERTIFICATE OF SERVICE

24-CONS-3370-CPEN

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of first class mail and electronic service on 05/30/2024.

CHERYL BOYER
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
c.boyer@kcc.ks.gov

TODD BRYANT, GEOLOGIST SPECIALIST
KANSAS CORPORATION COMMISSION
266 N. Main St., Ste. 220
WICHITA, KS 67202-1513
t.bryant@kcc.ks.gov

ATTN: CROSS COUNTRY VENTURES LLC
CROSS COUNTRY VENTURES LLC
1079 X RAY RD
CHETOPA, KS 67336-8994

TRISTAN KIMBRELL, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
CENTRAL OFFICE
266 N. MAIN ST, STE 220
WICHITA, KS 67202-1513
t.kimbrell@kcc.ks.gov

/S/ KCC Docket Room
KCC Docket Room

EXHIBIT 3

PURCHASE AND SALE AGREEMENT

Between

RUNNING FOXES PETROLEUM

And

CROSS COUNTRY VENTURES, LLC

For Assets located in Crawford County, Kansas, USA

January 1, 2022

RT.
Seller's Initials


KBC
Buyer's Initials

3/1/2022
Date

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Seller's Initials

 ⁱⁱ
Buyer's Initials

3/1/2022
Date

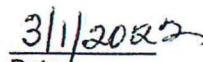
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EXHIBITS

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Exhibit B	T-1


Seller's Initials

 iii
Buyer's Initials


Date

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement"), is dated as of January 1st, 2022, by and between Running Foxes Petroleum Inc. 14450 East Easter Ave., Ste 200 Centennial CO 80112 (the, "Seller") and Cross Country Ventures, 2433 Locust Rd., Fort Scott, KS 66701 (the "Buyer"). Seller and Buyer are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS

- A. Seller is the owner of certain oil and gas wells located in Crawford County, Kansas described on Exhibits A and B attached hereto, (collectively, the "Assets").
- B. Seller desires to sell all of the Assets to Buyer and Buyer wishes to purchase the Assets from the Company.
- C. Buyer has conducted an independent investigation of the Company and the obligations and liabilities associated therewith.
- D. Seller will convey to Buyer or its designees all wells "as is" "where is".

AGREEMENT

NOW THEREFORE, in consideration of the mutual representations, covenants and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

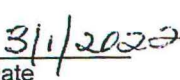
SECTION 1 DEFINITIONS

Some of the defined terms used in this Agreement are:

- 1.1 "Assignment" is defined in Section 2.4.
- 1.2 "Closing" means the consummation of the transactions contemplated by this Agreement as provided in Section 7.
- 1.3 "Closing Date" is defined in Section 7.1.
- 1.4 "Contracts" means all presently existing and valid contracts, agreement and instruments insofar as such contracts, agreements and instruments cover, bind, are attributable to or relate to the Leases.
- 1.5 "Effective Date" means January 1st, 2022.
- 1.6 "Wells" are those oil and gas leases described on Exhibit A.
- 1.7 "Purchase Price" is the total cash consideration specified in Section 2.2 to be paid by Buyer to Seller for the Leases


Seller's Initials

 ¹
Buyer's Initials


Date

**SECTION 2
PURCHASE AND SALE OF COMPANY**

2.1 Agreement for Purchase and Sale. Subject to the terms and conditions contained in this Agreement, Seller agrees to sell, assign, transfer, convey, set over and deliver, or cause to be sold, assigned, transferred, conveyed, set over and delivered, to Buyer, and Buyer agrees to purchase, acquire, and accept the Leases from Seller.

2.2 Purchase Price. The Purchase Price for the Leases shall be Forty Thousand Dollars (USD) (\$40,000.00). Funds shall be sent by certified or cashier's check or by wire transfer of immediately available funds to an account or accounts designated in writing by each of the companies comprising Seller.

**SECTION 3
DUE DILIGENCE; WAIVER**

Following the execution of this Agreement, Seller shall provide Buyer with reasonable access to the Leases and to Seller's title, accounting, environmental and operating records, including property files related thereto, so that Buyer may confirm Seller's title to the Leases and that there are no adverse environmental conditions with respect to the Leases. Buyer acknowledges that, upon Closing, Buyer waives any objection to such matters. NO WARRANTY OF ANY KIND IS MADE BY SELLER AS TO THE INFORMATION AND DATA SUPPLIED TO BUYER, OR TO THE COMPLETENESS THEREOF, AND BUYER EXPRESSLY AGREES THAT ANY CONCLUSIONS DRAWN THEREFROM SHALL BE THE RESULT OF ITS OWN INDEPENDENT REVIEW AND JUDGMENT.

**SECTION 4
REPRESENTATIONS AND WARRANTIES OF SELLER**

The Seller, Running Foxes Petroleum Inc., represents and warrants to Buyer, as follows:

4.1 Organization and Standing. Seller is duly organized, validly existing and in good standing under the laws of its state of organization.

4.2 Authority. Seller has all requisite power and authority to carry on its business as presently conducted, to enter into this Agreement and the other documents and agreements contemplated hereby, and to perform its obligations under this Agreement and the other documents and agreements contemplated hereby. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with, any provision of its governing documents or any agreement or instrument to which it is a party or by which it is bound or any judgment, decree, order, statute, rule or regulation applicable to Seller.

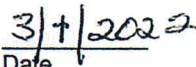
4.3 Validity. This Agreement, and all documents and instruments required hereunder to be executed and delivered by Seller at the Closing, constitute legal, valid and binding obligations of Seller in accordance with their respective terms, subject to applicable bankruptcy and other similar laws of general application with respect to creditors.

4.4 No Violation. The execution, delivery and performance of this Agreement and the transactions contemplated hereunder have been duly and validly authorized by all requisite authorizing action on the part of Seller.

4.5 Brokers. Seller has not retained any brokers with respect to this Agreement and agrees to indemnify Buyer against any claim by any third person for any commission, brokerage, finder's fee or any other payment based upon any agreement or understanding between such third person and Seller.


Seller's Initials

 ²
Buyer's Initials


Date

4.6 **Taxes.** All tax returns required to be filed by Seller with respect to the Purchased Property have been timely filed with the appropriate governmental entity in all jurisdictions in which such tax returns are required to be filed, and all taxes due with respect to such tax returns have been paid, except those being contested in good faith.

4.7 **Claims and Litigation.** Seller has not received any written notice of any material claims with respect to any continuing or uncured breach, default or violation by Seller of any of the Leases or applicable law, which would adversely affect the ownership, operation or value of the Purchased Property or the transactions contemplated by this Agreement

4.8 **Preferential Rights.** Except for governmental consents and approvals of assignments that are customarily obtained after assignment, there are no preferential rights to purchase or consents to assignment (including third party and governmental preferential rights or consents) burdening the Purchased Property.

4.9 **Operations.** Seller has not conducted and is not conducting any operations upon the lands covered by the Leases, and Seller has not received any written authorization for expenditures for operations upon such lands.

4.10 **No Breaches.** To Seller's knowledge, neither Seller nor any other party to any Lease, Contract, surface right, permit or other obligation: (i) is in breach or default of or with the lapse of time or the giving of notice, or both, would be in breach or default of such Lease, Contract, surface right, permit or other obligation; or (ii) has given or threatened to give notice of any default under or made any inquiry into any possible default under, or action to alter, terminate, rescind or procure a judicial reformation of any Lease, Contract, surface right, permit or other obligation.

4.11 **Compliance with Laws.** To Seller's knowledge, with respect to Seller's ownership of the Wells, Seller is in compliance in all material respects with all laws, ordinances, rules, regulations, orders, decisions and decrees of governmental authorities that are applicable to the Leases.

4.12 **Survivability.** The foregoing representations and warranties of Seller shall survive the Closing for a period of one (1) year after the Closing Date.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as of the date hereof and the Closing Date that:


5.1 **Organization and Standing.** Buyer is duly organized, validly existing and in good standing under the laws of the State of Kansas and duly qualified to carry on its business in the State of Kansas.

5.2 **Authority.** Buyer has all requisite power and authority to carry on its business as presently conducted, to enter into this Agreement and the other documents and agreements contemplated hereby, and to perform its obligations under this Agreement and the other documents and agreements contemplated hereby. The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with, any provision of Buyer's articles of organization and operating agreement(s) or governing documents, or any material agreement or instrument to which Buyer is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to Buyer.

5.3 **Validity.** This Agreement and all documents and instruments required hereunder to be executed and delivered by Buyer at the Closing, constitute legal, valid and binding obligations of Seller in accordance with their respective terms, subject to applicable


Seller's Initials


Buyer's Initials


Date

bankruptcy and other similar laws of general application with respect to creditors.

5.4 **No Violation.** The execution, delivery and performance of this Agreement and the transactions contemplated hereunder have been duly and validly authorized by all requisite authorizing action on the part of Buyer.

5.5 **Securities Matters.** Buyer acknowledges that the Leases may be deemed to be "securities" under the Securities Act of 1933, as amended, and certain applicable state securities or Blue Sky laws and that resale thereof may therefore be subject to the registration requirements of such acts. Buyer is acquiring the Leases for its own account, not with a view toward, nor for the sale in connection with, any distribution thereof, nor with the intention of distributing or selling any interests in the Leases in violation of the Securities Act of 1933 or any other applicable federal or state securities laws and regulations. In entering into this transaction Buyer has complied with all applicable federal and state securities laws and regulations.

5.6 **Independent Investigation.** Buyer is an experienced and knowledgeable investor, and is or has access to personnel who are experienced in the acquisitions and operations in the oil and gas business, is aware of its risks, and is capable of independently evaluating the merits and risks of the investment contemplated by this Agreement. Buyer has, or will have by the Closing, been afforded the opportunity to examine the Leases. Buyer acknowledges that as to the Leases, Buyer is acquiring all of the risks associated with oil and gas industry operations.

5.7 **Brokers.** Buyer has not retained any brokers with respect to this Agreement and agrees to indemnify Seller against any claim by any third person for any commission, brokerage, finder's fee or any other payment based upon any agreement or understanding between such third person and Buyer.

5.8 **Survivability.** The foregoing representations and warranties of Buyer shall survive the Closing for a period of thirty (30) days after the Closing Date.

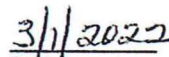
SECTION 6 CONDITIONS PRECEDENT TO CLOSING

6.1 **Seller's Conditions to Closing.** The obligations of Seller under this Agreement are subject to the fulfillment (unless waived in writing by Seller) of the following conditions precedent prior to or on the Closing:

- a) Buyer or an Affiliate shall have purchased the Assets and is responsible for all of its assets, records and data.
- b) **Performance of Obligations.** Seller shall have performed all material respects of all agreements and covenants required by this Agreement to be performed by Seller prior to or on the Closing Date.
- c) **Representations and Warranties.** The representations and warranties made by Buyer in this Agreement shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date and with the same force and effect as though made on the Closing Date.
- d) **Pending Legal Action.** On the Closing Date, there shall be no pending or threatened third party claim, suit, action or other proceeding before any court or governmental agency seeking to obtain damages in connection with, or to restrain, prohibit, invalidate, or set aside, in whole or in part, the consummation of this Agreement or the transactions contemplated under this Agreement.


Seller's Initials


Buyer's Initials


Date

6.2 **Buyer's Closing Conditions.** The obligations of Buyer under this Agreement are subject to the fulfillment (unless waived in writing by Buyer) of the following conditions precedent prior to or on the Closing.

- a) **Performance of Obligations.** Seller shall have performed all material respects of all agreements and covenants required by this Agreement to be performed by Seller prior to or on the Closing Date.
- b) **Representations and Warranties.** The representations and warranties made by Seller as set forth in this Agreement shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date, and with the same force and effect as though made on the Closing Date.
- c) **Pending Legal Action.** On the Closing Date, there shall be no pending or threatened third party claim, suit, action or other proceeding before any court or governmental agency seeking to obtain damages in connection with, or to restrain, prohibit, invalidate, or set aside, in whole or in part, the consummation of this Agreement or the transactions contemplated under this Agreement.
- d) **Government Agency Approval Not a Condition.** It is expressly agreed by the Parties that any necessary Federal or State governmental agency approval or authorization for BUYER to receive assignment of the Leases shall not be a condition precedent to BUYER's obligations under this Agreement.

SECTION 7 CLOSING

7.1 **Closing Time and Place.** Unless the Parties agree in writing to close sooner, the closing of the transactions contemplated by this Agreement (the "Closing") shall occur at 10:00 a.m. MST on or before January 1st, 2022 at the offices of the SELLER. The date on which Closing actually occurs is the "Closing Date." Failure to close on or before the "Closing Date" this agreement will be null and void.

7.2 **Seller's Obligations at Closing.** At the Closing:

- a) **Assignments.** Seller shall deliver to Buyer (1) the Assignments for leases and pipelines, and (2) all well records, (3) signed T-1 to transfer operatorship of the wells, (4) copies of leases and right of ways.

7.3 **Buyer's Obligations at Closing.** At the Closing: Wire transfer or cashier's check for \$10.

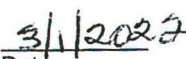
SECTION 8 POST CLOSING OBLIGATIONS

8.1 **Consents.** Seller shall use its best commercially reasonable efforts after the Closing to obtain timely approval of any consents from those Federal, State and other agencies whose consent to assign the Leases is required. Buyer agrees to cooperate fully with Seller in obtaining such consents from the applicable Federal, State or other agencies.


Seller's Initials


Buyer's Initials

5


Date

SECTION 9 TERMINATION

9.1 **Termination.** This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Closing Date by:

- a) The mutual written consent of the Parties.
- b) Seller, if any of Seller's conditions to Closing set forth in Section 6.1 have not been satisfied at or prior to Closing.
- c) Buyer, if any of Buyer's conditions to Closing set forth in Section 6.2 have not been satisfied at or prior to Closing.

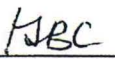
9.2 **Effect of Termination.** If this Agreement is terminated as provided above, this Agreement shall become void and of no further force or effect and neither Party shall have any further obligation or liability to the other Party except as provided in this Agreement and except as to those provisions that survive Closing.

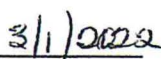
SECTION 10 DISPUTE RESOLUTION

Any dispute arising under or in connection with this Agreement or the subject matter hereof ("Dispute") shall be referred to and resolved by binding arbitration in Kansas City, Kansas, to be administered by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Arbitration shall be initiated within the applicable time limits set forth in this Agreement and not thereafter or if no time limit is given, within the time period allowed by the applicable statute of limitations, by one Party ("Claimant") giving written notice to the other Party ("Respondent") and to the Denver Regional Office of the AAA, that the Claimant elects to refer the Dispute to arbitration. The Parties shall attempt to agree on a single arbitrator but in the event that they are unable to do so within thirty (30) days of the first letter by a Party proposing name(s) of potential arbitrators, then each Party shall choose within fifteen (15) days thereafter one arbitrator qualified to act as such under this Section and these two arbitrators shall choose a third within fifteen (15) days after their selection. All arbitrators must be neutral disinterested parties who have never been officers, directors or employees or attorneys of the Parties or any of their Affiliates, must have not less than ten (10) years experience in the oil and gas industry, and must have a formal financial/accounting, petroleum engineering or legal education. The hearing shall be commenced within thirty (30) days after the selection of the arbitrator(s). The Parties and the arbitrators shall proceed diligently and in good faith in order that the arbitral award shall be made as promptly as possible. The interpretation, construction and effect of this Agreement shall be governed by the Laws of Wyoming, and to the maximum extent allowed by law, in all arbitration proceedings the Laws of Wyoming shall be applied, without regard to any conflicts of laws principles. All statutes of limitation and of repose that would otherwise be applicable shall apply to any arbitration proceeding. The tribunal shall not have the authority to grant or award indirect or consequential damages, punitive damages, exemplary or special damages.

This Section 10 shall survive the Closing.


Seller's Initials


Buyer's Initials

6

Date

**SECTION 11
MISCELLANEOUS**

11.1 Further Assurances. The Parties agree that each shall use its reasonable efforts to take or cause to be taken all such actions that may be necessary to consummate and make effective the transactions contemplated by this Agreement.

11.2 Notices. All notices, demands, and other communications required or permitted under this Agreement shall be in writing and delivered by facsimile transmission, air express service, or registered or certified mail. All notices, demands, and other communications by a Party under this Agreement shall be effective when received by the other party. Any Party may change the address and/or person to which notices, demands, and other communications are to be sent upon written notice to the other Party or Parties. Notices shall be sent to:

To SELLER:
Attn: Joe Taglieri

To BUYER:
Attn.: Glenda Cutter
Email: gcutler18@gmail.com
Cell: 620 223 2925

Running Foxes Petroleum Inc.
Attn.: Joe Taglieri, President
14550 East Easter Ave., Ste 200
Centennial, CO 80112
Email: joe.taglieri@runningfoxes.com
Cell: 720 889 0510

11.3 Entire Agreement; Amendments. This Agreement, the documents to be executed hereunder, and the Exhibits and Schedules attached hereto constitute the entire agreement between the Parties concerning the subject matter referred to herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties concerning such subject matter. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Parties hereto.

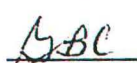
11.4 Expenses. Each Party shall be solely responsible for expenses incurred by it in connection with this Agreement and shall not be entitled to reimbursement by the other Party.

11.5 Governing Law. This Agreement, the Assignment and any other instruments executed in accordance with the Agreement shall be governed by and interpreted according to the laws of the State of Kansas.

11.6 Waiver of Consequential. EACH PARTY HEREBY EXPRESSLY WAIVES, RELEASES AND DISCLAIMS ANY AND ALL RIGHTS TO RECOVER FROM THE OTHER PARTY ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR ANY BREACH OF OR FAILURE TO PERFORM UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, LOST SALES, INCOME, PROFIT, REVENUE, PRODUCTION, RESERVES OR OPPORTUNITY.

11.7 Waiver. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.


Seller's Initials


Buyer's Initials


Date

11.8 Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

11.9 Assignment of Agreement. Neither Party shall assign this Agreement or any part thereof without the prior written consent of the other Party, which consent shall not unreasonably be withheld, and any assignment made without such consent shall be void. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

11.10 Counterparts. This Agreement may be executed in multiple original counterparts, all of which shall together constitute a single agreement and each of which, when executed, shall be binding for all purposes thereof on the executing Party and its successors and assigns.


11.11 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any materially adverse manner to either Party.

11.12 Not to be Construed Against Drafter. The Parties acknowledge that they have had an adequate opportunity to review each and every provision contained in this Agreement and to submit the same to legal counsel for review and comment. The Parties agree with each and every term contained in this Agreement. Based on the foregoing, the parties agree that the rule of construction that a contract be construed against the drafter, if any, shall not be applied in the interpretation and construction of this Agreement.

11.13 No Third-Party Beneficiaries. This Agreement is not intended to confer any rights or remedies upon any person other than the Parties and their respective permitted successors and assigns.

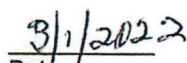
11.14 Sales Taxes and Recording Fees. The Purchase Price provided for hereunder is net of any sales taxes or other taxes in connection with the sale of the Leases. BUYER shall be liable for any sales tax or other transfer tax, as well as any applicable conveyance, transfer and recording fees, and real estate transfer stamps or taxes imposed on the transfer of the Leases pursuant to this Agreement. BUYER shall indemnify and hold SELLER harmless with respect to the payment of any of those taxes including any interest or penalties assessed thereon.

11.15 Plugging Obligations. In the event after closing and Buyer's acquisition of the wells listed in Exhibit A and Exhibit B shall be liable both corporately and personally to plug said wells and hold SELLER harmless to any costs incurred either through actions or requests by landowners, Kansas Corporation Commission, Environmental Protection Agency or any other governmental agency whether Township, County, State and Federal. BUYER shall bear all costs of plugging and clean-up of said wells in Exhibit A and B.


Seller's Initials


Buyer's Initials

8



Date

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the date first above written.

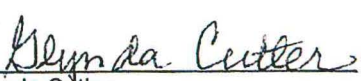
SELLER:


Running Foxes Petroleum Inc.

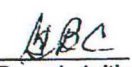
By: 
Joe Taglieri
President

BUYER:

CROSS COUNTRY VENTURES, LLC.

By: 
Glenda Cutler
Operating Member


Seller's Initials


Buyer's Initials

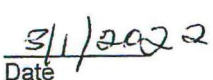


Date

Exhibit "A"
Wells

	Lease Name	Well No.	API Number	County	Sec	Twp	Rge	Dir	Well Type	Well Status
1	GUY	1	15-037-19388	Crawford	28	28	22	E	OIL	PR
2	GUY	10	15-037-19397	Crawford	28	28	22	E	OIL	PR
3	GUY	11	15-037-19398	Crawford	28	28	22	E	OIL	PR
4	GUY	12	15-037-19399	Crawford	28	28	22	E	OIL	IN
5	GUY	13	15-037-01711	Crawford	28	28	22	E	OIL	PR
6	GUY	13	15-037-19400	Crawford	28	28	22	E	OIL	PR
7	GUY	14	15-037-19401	Crawford	28	28	22	E	OIL	PR
8	GUY	15	15-037-19402	Crawford	28	28	22	E	OIL	PR
9	GUY	16	15-037-01712	Crawford	28	28	22	E	EOR	IN
10	GUY	16	15-037-19403	Crawford	28	28	22	E	OIL	PR
11	GUY	17	15-037-19404	Crawford	28	28	22	E	OIL	PR
12	GUY	18	15-037-01713	Crawford	28	28	22	E	EOR	IN
13	GUY	18	15-037-19405	Crawford	28	28	22	E	OIL	PR
14	GUY	19	15-037-19406	Crawford	28	28	22	E	OIL	PR


Seller's Initials


Buyer's Initials

3/1/2022
Date

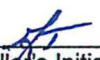
15	GUY	2	15-037-19389-0000	Crawford	28	28	22	E	OIL	PR
16	GUY	21	15-037-19408-0000	Crawford	28	28	22	E	OIL	IN
17	GUY	22	15-037-01705-0000	Crawford	28	28	22	E	OIL	PR
18	GUY	23	15-037-01706-0000	Crawford	28	28	22	E	OIL	IN
19	GUY	23	15-037-01714-0000	Crawford	28	28	22	E	EOR	IN
20	GUY	24	15-037-01707-0000	Crawford	28	28	22	E	OIL	PR
21	GUY	25	15-037-01708-0000	Crawford	28	28	22	E	OIL	IN
22	GUY	3	15-037-19390-0000	Crawford	28	28	22	E	OIL	PR
23	GUY	4	15-037-19391-0000	Crawford	28	28	22	E	OIL	PR
24	GUY	5	15-037-19392-0000	Crawford	28	28	22	E	OIL	PR
25	GUY	5-28B-3	15-037-22320-0000	Crawford	28	28	22	E	OIL	PR
26	GUY	5-28B-4	15-037-22321-0000	Crawford	28	28	22	E	OIL	PR
27	GUY	5-28B-INJ	15-037-22325-0000	Crawford	28	28	22	E	EOR	AI
28	GUY	6	15-037-19393-0000	Crawford	28	28	22	E	OIL	PR
29	GUY	7	15-037-01710-0000	Crawford	28	28	22	E	EOR	IN
30	GUY	7	15-037-19394-0000	Crawford	28	28	22	E	OIL	PR
31	GUY	8	15-037-19395-0000	Crawford	28	28	22	E	OIL	IN
32	GUY	9	15-037-19396-0000	Crawford	28	28	22	E	OIL	PR
33	GUY	I-1	15-037-01433-0000	Crawford	28	28	22	E	EOR	AI
34	GUY	I-2	15-037-01434-0000	Crawford	28	28	22	E	EOR	AI
35	GUY	WSW-1	15-037-19409-0000	Crawford	28	28	22	E	WSW	PR

ST
Seller's Initials

STC
Buyer's Initials

3/1/2022
Date

Exhibit "B"
T-1


Seller's Initials

 1
Buyer's Initials

3/1/2022
Date

EXHIBIT 4

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.

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: _____