

| For KCC      | Use:  |  |  |
|--------------|-------|--|--|
| Effective [  | Date: |  |  |
| District # . |       |  |  |
|              |       |  |  |

Spud date: \_\_

\_ Agent: \_

# KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed Form must be Signed

| Expected Spud Date:  | Spot Description:  |
|--|--|
| month day year   | Sec Twp S. R   |
| DPERATOR: License#   | (O/O/O/Q) feet from N / S Line of Section  |
| lame:  | feet from E / W Line of Section  |
| ddress 1:  | Is SECTION: Regular Irregular?   |
| ddress 2:  | (Note: Locate well on the Section Plat on reverse side)  |
| State: State: Zip: +   | County:  |
| ontact Person:   | Lease Name: Well #:  |
| hone:  | Field Name:  |
| ONTRACTOR: License#  | Is this a Prorated / Spaced Field?   |
| ame:   | Target Formation(s):   |
| Well Drilled For: Well Class: Type Equipment:  | Nearest Lease or unit boundary line (in footage):  |
| Oil Enh Rec Infield Mud Rotary   | Ground Surface Elevation:feet MSI  |
| Gas Storage Pool Ext. Air Rotary   | Water well within one-quarter mile:  |
| Disposal Wildcat Cable   | Public water supply well within one mile: Yes N  |
| Seismic ; # of Holes Other   | Depth to bottom of fresh water:  |
| Other:   | Depth to bottom of usable water:   |
| If OWWO: old well information as follows:  | Surface Pipe by Alternate: I II  |
| II OWWO. Old well information as follows.  | Length of Surface Pipe Planned to be set:  |
| Operator:  | Length of Conductor Pipe (if any):   |
| Well Name:   | Projected Total Depth:   |
| Original Completion Date: Original Total Depth:  | Formation at Total Depth:  |
| rectional, Deviated or Horizontal wellbore?  | Water Source for Drilling Operations:  |
| Yes, true vertical depth:  | Well Farm Pond Other:  |
| ottom Hole Location:   | DWR Permit #:(Note: Apply for Permit with DWR )  |
| CC DKT #:  | Will Cores be taken?   |
|  | If Yes, proposed zone:   |
|  |  |
| AFI  | FIDAVIT  |
| he undersigned hereby affirms that the drilling, completion and eventual plu   | gging of this well will comply with K.S.A. 55 et. seq.   |
| is agreed that the following minimum requirements will be met:   |  |
| to agreed that the fellowing minimum requirements will be met.   |  |
| Notify the appropriate district office <i>prior</i> to spudding of well;   |  |
| <ol> <li>Notify the appropriate district office <i>prior</i> to spudding of well;</li> <li>A copy of the approved notice of intent to drill <i>shall be</i> posted on each</li> </ol>  |  |
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Well Not Drilled - Permit Expired Date: \_\_\_ Signature of Operator or Agent:



#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

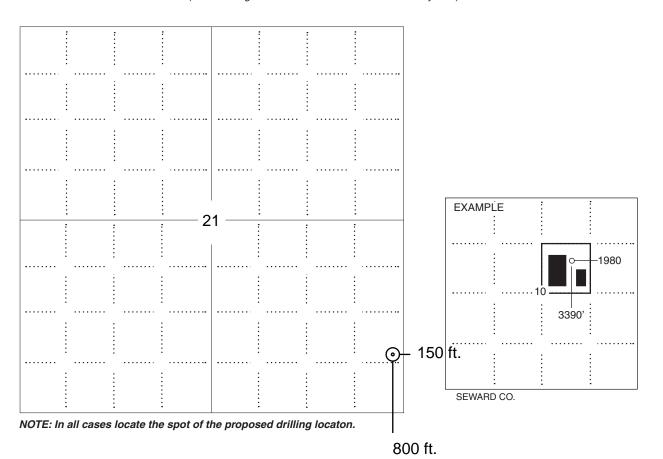
Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

| API No. 15                            |  |
|---------------------------------------|--|
| Operator:                             | Location of Well: County:  |
| Lease:                                | feet from N / S Line of Section  |
| Well Number:                          | feet from E / W Line of Section  |
| Field:                                | Sec Twp S. R   |
| Number of Acres attributable to well: | Is Section: Regular or Irregular   |
|                                       | If Section is Irregular, locate well from nearest corner boundary.  Section corner used: NE NW SE SW |

#### **PLAT**

(Show location of the well and shade attributable acreage for prorated or spaced wells.) (Show footage to the nearest lease or unit boundary line.)



#### In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).



## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1016661

Form CDP-1 April 2004 Form must be Typed

# **APPLICATION FOR SURFACE PIT**

### Submit in Duplicate

| Operator Name:   |   |   | License Number:   |
|--|---|---|---|
| Operator Address:  |   | ·   |   |
| Contact Person:  |   |   | Phone Number:   |
| Lease Name & Well No.:   |   |   | Pit Location (QQQQ):  |
| Type of Pit:  Emergency Pit Burn Pit  Settling Pit Drilling Pit  Workover Pit Haul-Off Pit  (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water  Is the bottom below ground level?  Yes No  Pit dimensions (all but working pits):  Depth from If the pit is lined give a brief description of the material, thickness and installation procedure | Artificial Liner? Yes 1 Length (feom ground level to de | No No et)  Describe proce                   |   |
|  |   |   |   |
| Distance to nearest water well within one-mile   | of pit  | Depth to shallo                             | owest fresh waterfeet.  |
| feet Depth of water well   | feet  |   | redwell owner electric logKDWR  |
| Emergency, Settling and Burn Pits ONLY:  Producing Formation:  Number of producing wells on lease:  Barrels of fluid produced daily:  Does the slope from the tank battery allow all flow into the pit?  Yes No  Submitted Electronically  |   | Type of material Number of work Abandonment | over and Haul-Off Pits ONLY:  al utilized in drilling/workover:  king pits to be utilized:  procedure:  be closed within 365 days of spud date. |
|  |   |   |   |
|  | KCC (   | OFFICE USE OF                               | NLY Steel Pit RFAC RFAS   |
| Date Received: Permit Num  | ber:  | Permi                                       | it Date: Lease Inspection: Yes No   |

## DECLARATION OF POOLING AND CONSOLIDATION

THIS DECLARATION OF POOLING AND CONSOLIDATION is made and entered into this 21<sup>th</sup> day of January, 2008, by Pintail Petroleum, Ltd., lessee.

## KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the following described oil and gas leases are owned by Pintail Petroleum, Ltd., as lessee, to wit:

Oil and Gas Lease dated March 27, 2004, by and between William H. Petersilie and Dolores Petersilie, his wife, as lessor, and J. Fred Hambright, Inc., as lessee, covering the lands situated in the South Half (S/2) Section 21, Township 20 South, Range 23 West, as recorded in the office of the Register of Deeds of Ness County, Kansas, in Book 286, at Page 485;

Oil and Gas Lease dated March 27, 2004, by and between Velma Petersilie, a single person, and Noel Kreg Petersilie, a single person, as lessor, and J. Fred Hambright, Inc., as lessee, covering the lands situated in the South Half (S/2) Section 21, Township 20 South, Range 23 West, as recorded in the office of the Register of Deeds of Ness County, Kansas, in Book 286, at Page 487;

Oil and Gas Lease dated October 1, 2005, by and between Keith Burditt and Anita Burditt, husband and wife, as lessor, and Pintail Petroleum, Ltd., as lessee, covering the lands situated in the Southwest Quarter (SW/4) Section 22, Township 20 South, Range 23 West, as recorded in the office of the Register of Deeds of Ness County Kansas, in Book 297 at Page 319 and Extension of Oil and Gas as recorded in the office of the Register of Deeds of Ness County, Kansas in Book 312 at Page 578;

Oil and Gas Lease dated March 24, 2005, by and between LeRoy J. Stoecklein and Cora Stoecklein, his wife, as lessor, and J. Fred Hambright, Inc., as lessee, covering the lands situated in the Southwest Quarter (SW/4) Section 22, Township 20 South, Range 23 West, as recorded in the office of the Register of Deeds of Ness County Kansas, in Book 293 at Page 595 and Extension of Oil and Gas Lease as recorded in the office of the Register of Deeds of Ness County, Kansas in Book 306 at Page 614 and Book 313 at Page 750;

WHEREAS, said Oil and Gas Lease provides inter alia as follows:

"Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases, in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."; and

WHEREAS, Pintail Petroleum, Ltd., as the owner and lessee of the above described oil and gas leases, has determined in its judgement that it is necessary and advisable to pool and combine the oil rights in and under a portion of the acreage and lands covered by the above described oil and gas leases in order to properly develop said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises as one oil operating unit, upon the terms and conditions hereinafter provided and as provided in said oil and gas leases;

NOW, THEREFORE, IN CONSIDERATION of the premises, the execution of this declaration and the mutual covenants herein to be performed, and other good and valuable consideration, lessee, acting pursuant to the above and foregoing recitals and the terms and conditions of the above described oil and gas leases, does hereby execute this declaration of pooling and consolidation and does hereby form an oil unit of said leases and land, including lessors' royalty interest, as to the oil rights, insofar and only insofar as said leases and the lands included within the pool and oil unit described are as follows:

Northeast Quarter of the Southeast Quarter of the Southeast Quarter (NE/4 SE/4 SE/4) and the Southeast Quarter of the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 21 Township 20 South, Range 23 West, and the Northwest Quarter of the Southwest Quarter of the Southwest Quarter (NW/4 SW/4 SW/4) and the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) Section 22, Township 20 South, Range 23 West, Ness County, Kansas, containing 40 acres more or less.

To the same extent as if said oil leasehold estate had originally been included in one oil and gas lease, which pooled and combined area is hereby designated as the Petersilie-Stoecklein Unit #1-21, and which area shall include within the same all land covered by the above described oil and gas leases insofar and only insofar as the same are included within the above described oil unit.

Lessee does hereby state that drilling operations for oil and/or gas and production of oil and/or gas on any part of the oil unit shall be treated as if such drilling operations were had or such oil and/or gas production was obtained from land described in each of said leases, regardless of where the oil and/or gas well or wells may be located upon said oil unit, and that the entire acreage contained in said oil unit shall be treated for all purposes, except the payment of royalties on such production of oil from said oil unit, as if said lands were included in each of said oil and gas leases. In lieu of the oil royalty set forth in said oil and gas leases, and pursuant to the terms of the unitization clause in each said lease, each respective lessor shall receive on oil production, only such portion of the royalty stipulated in the pertinent oil and gas leases, as the amount of lessor's surface acreage contained in his/her oil and gas lease placed in the oil unit bears to the amount of the total surface acreage of the entire pooled area. Nothing herein contained shall authorize or affect any transfer of any title to any leasehold, royalty or other interest pooled pursuant hereto.

This declaration and the terms and conditions hereof shall extend to and be binding upon all persons having any right, title or interest of any kind or character in and to the above described oil and gas leases, including lessors' rights thereunder, their respective heirs, successors and assigns.

IN WITNESS WHEREOF, lessee has hereunto caused this Declaration of Pooling and Consolidation to be executed as of the day and year first above written.

|                          | PINTAIL PETROLEUM, LTD.          |
|--------------------------|----------------------------------|
|                          |                                  |
|                          | Walter Innes Phillips, President |
| STATE OF KANSAS }        |                                  |
| COUNTY OF SEDGWICK } ss: |                                  |

BE IT REMEMBERED that on this 21<sup>th</sup> day of January, 2008, before me the undersigned, a Notary Public duly commissioned in and for said County and State, came Walter Innes Phillips, President of Pintail Petroleum, Ltd., a corporation of the State of Kansas to me personally known to be such officer and to be the same person who executed as such officer the foregoing instrument of writing on behalf of said corporation, and acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this day and year last above written.

| Patrica C  | Byerlee, Notary Public |
|------------|------------------------|
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My Commission Expires: December 11, 2009