





1017045

**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: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

\_\_\_\_\_ feet from  N /  S Line of Section

\_\_\_\_\_ feet from  E /  W Line of Section

Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W

Is Section:  Regular or  Irregular

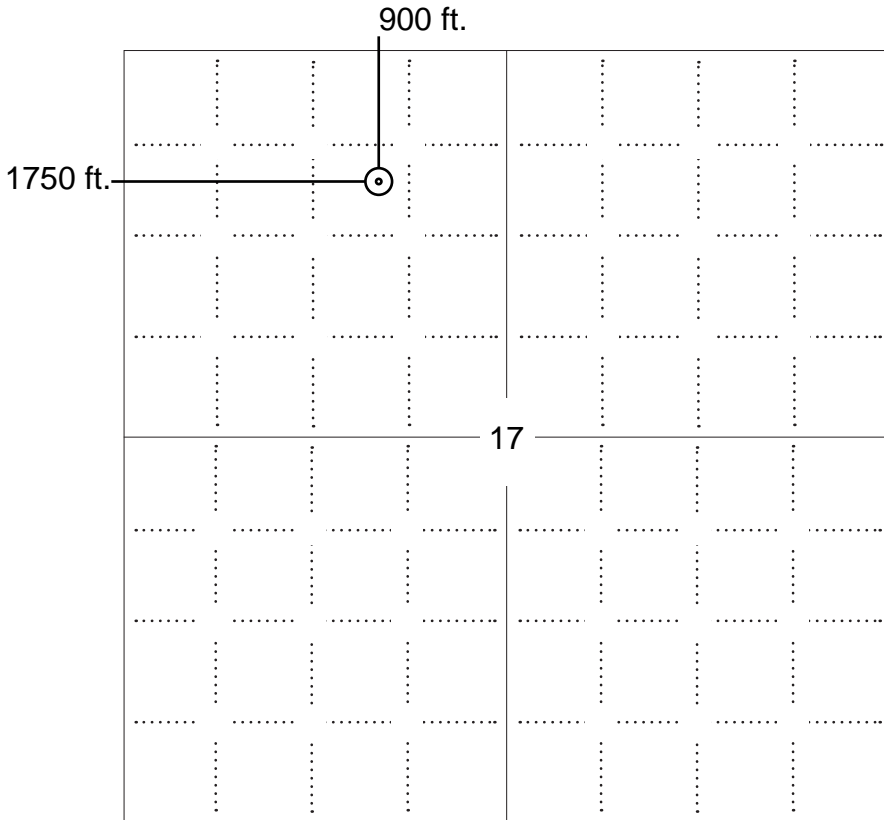
**If Section is Irregular, locate well from nearest corner boundary.**

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.)*



**NOTE: In all cases locate the spot of the proposed drilling locaton.**

**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 1017045  
OIL & GAS CONSERVATION DIVISION

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: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits): _____ Length (feet)    _____ Width (feet)    _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (feet)    _____ No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit _____ feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured    _____ well owner    _____ electric log    _____ KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

<b>KCC OFFICE USE ONLY</b>		Steel Pit	RFAC	RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**EXTENSION OF OIL AND GAS LEASE**

WHEREAS, Murfin Drilling Company, Inc. is the owner and holder of an oil and gas lease on the following described land in Barton County, State of Kansas

Township 20 South, Range 12 West

Section 17: S/2NW/4 & NW/4NW/4 & a tract commencing at NW corner of the NW/4, thence East at a bearing of N89°38'E along North line of Section 17 a distance of 1820.79 feet to the Point of Beginning; thence South at a bearing of S0°7'E a distance of 1317.70 feet; thence West at a bearing of S89°27'W a distance of 496.51 feet; thence North at a bearing of N0°5'E a distance of 1317.81 feet; thence East to the Point of Beginning,

Of Section 17, Township 20 South, Range 12 West, recorded in book 612, Page 5139, corrected in book 614, page 3706, and extended in book 614, page 3892, of the Records of said County, and

WHEREAS, said lease expires in the absence of drilling operations on February 22, 2008 and the said owner and holder desires to have the term of said lease extended;

NOW, THEREFORE, the undersigned, for themselves, their heirs, executors, administrators and assigns, for and in consideration of One and more (\$1,000+) Dollars, in hand paid. The receipt whereof is hereby acknowledged, does hereby agree: that the said term of said lease shall be and is hereby extended, with the same tenor and effect as if such extended term had been originally expressed in such lease, for a period of 90 days years from the date of the said expiration thereof and as long thereafter as oil or gas (including casinghead gas) is produced from any well on the land covered by said lease, subject however, in all other respects, to the provisions and conditions of said lease or said lease as modified, if any modification thereof may have been heretofore executed; that no delay rental is due and payable on February 22, 2008 under the terms of this extension; and that all previous rentals due under the terms of said lease have been timely and properly paid.

IN WITNESS WHEREOF, this instrument is signed on this the 4th day of February, 2008.

Mailing Address:  
115 S. Patton Road  
Great Bend, KS 67530

*[Handwritten signature of Tim J. Miller]*  
(Tim J. Miller)

*[Handwritten signature of Loretta K. Miller]*  
(Loretta K. Miller)

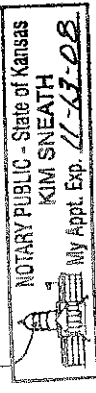
STATE OF KANSAS  
COUNTY OF BARTON

ss. ACKNOWLEDGEMENT FOR INDIVIDUAL (Kans. Okla. And Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 4th day of February, 2008, personally appeared **Tim J. Miller and Loretta K. Miller, husband and wife**, to me personally known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

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

My commission expires 11-13-08  
*[Handwritten signature of Kim Sneath]*  
Notary Public



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss. ACKNOWLEDGEMENT FOR CORPORATION

Be it remembered that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came \_\_\_\_\_

\_\_\_\_\_, a corporation of the State of \_\_\_\_\_, personally known to me to be \_\_\_\_\_, such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly 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 on the day and year last above written.

My commission expires \_\_\_\_\_  
\_\_\_\_\_  
NOTARY PUBLIC

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1995)

Reorder No. 09-115

Kansas Blue Print 700 S. Broadway, P.O. Box 730, Wichita, KS 67201-0730, 316-254-3014, 866-671-0516, www.kbp.com, kbp@kbp.com



2007

14th day of

November

by and between James McReynolds and Stacy McReynolds, his wife;

whose mailing address is 543 SE 30 Rd., Great Bend, KS. 67530, hereinafter called Lessor (whether one or more), and MURFIN DRILLING COMPANY, INC., Telephone 1-800-621-3018, 250 N. Water, Suite 300, Wichita, KS 67202

hereinafter called Lessee:

Lessor, in consideration of Ten & Other - - - - - Dollars (\$ 10,000 & O.V.C.) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lease herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, sorting oil, building cranes, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest therein situated in County of Barton State of KANSAS described as follows to-wit:

SEE DESCRIPTION RIDER ATTACHED HERETO

In Section 17 Township 20 South Range 12 West and containing 15 acres, more or less, and all accretions thereon. Subject to the provisions herein contained, this lease shall remain in force for a term of 3 years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land with which said land is pooled.

In consideration of the premises the said Lessee covenants and agrees: 1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or in the manufacture of any products therefrom, one-eighth (1/8) of the market price at the well, but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales, for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender as royalty One Dollar (\$1.00) per acre per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the Lessee shall commence to drill a well within the term of this lease or any extension thereof, the Lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to sue, free of cost, gas, oil and water produced on said land for Lessor's operation thereon, except water from the wells of Lessee. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the houses or barn now on said premises without written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to dig, and remove casing. If the crane of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to each portion or portions and be relieved of all obligations as to the acreage surrendered. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessee hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment of any mortgages, taxes or other items on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessee, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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 leased, 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 said under and that may be produced from said premises, such pooling to be of tract 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 840 acres each in the event of a gas well. Lessee shall execute in writing and record in the appropriate 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.

No operations of any kind shall be conducted on this land without written permission of Lessors.

Any producing well on the NW/4 Sec. 17-20S-12W, shall be operated by an electric motor.

BK- 6/14  
P-446  
4/23

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

SSA

James A. McReynolds

James McReynolds

Stacy McReynolds

Stacy McReynolds

## DESCRIPTION RIDER

A tract of real estate commencing at the Northwest corner (NW/c) of Section Seventeen (17), Township Twenty (20) South, Range Twelve (12) West; thence East at a bearing of N89 degrees 38'E along the North line of said section 2316.49 feet to the point of beginning; thence South at a bearing of S0 degrees 09'E 1317.59 feet; thence West at a bearing S89 degrees 27'W, 496.51 feet; thence North at a bearing of S0 degrees 09'E, 1317.70 feet; thence East at a bearing of N89 degrees 38'E, 495.70 feet to the point of beginning.



*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner*

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March 05, 2008

Shauna Gunzelman  
Murfin Drilling Co., Inc.  
250 N WATER STE 300  
WICHITA, KS67202-1216

Re: Drilling Pit Application  
Miller-McReynolds Unit Lease Well No. 1-17  
NW/4 Sec.17-20S-12W  
Barton County, Kansas

Dear Shauna Gunzelman:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:  
[kcc.ks.gov/conservation/forms/](http://kcc.ks.gov/conservation/forms/)

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.** If you have any questions or concerns please feel free to contact the District Office at (785) 625-0550.