

For KCC Use:	
Effective Date: _	
District #	
2010	□

This authorization expires: ___

Spud date: _

(This authorization void if drilling not started within 12 months of approval date.)

_ Agent: _

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed

ERATOR: License#	feet from N / S Line of Sect feet from E / W Line of Sect feet from E / W Line of Sect feet from E / W Line of Sect Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #: Field Name: Is this a Prorated / Spaced Field? Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water:
State:	feet from N / S Line of Sect feet from E / W Line of Sect Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #: Field Name: Is this a Prorated / Spaced Field? Yes It Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water:
State:	Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Well #: Field Name: Well #: Field Name: Is this a Prorated / Spaced Field? Yes I Target Formation(s): Searest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water: Depth to bottom of usable water:
State: Zip: +	(Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #: Field Name: Is this a Prorated / Spaced Field? Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water:
State: Zip: + Intact Person:	County:
State: Zip: + Intact Person:	County:
NTRACTOR: License#	Lease Name:
NTRACTOR: License#	Field Name:
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic; # of Holes Other Other:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic; # of Holes Other Other:	Target Formation(s):
Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water:
Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic; # of Holes Other Other:	Ground Surface Elevation:feet M Water well within one-quarter mile:Yes Public water supply well within one mile:Yes Depth to bottom of fresh water: Depth to bottom of usable water:
Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water:
Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Depth to bottom of fresh water:
Seismic ; # of Holes Other Other:	Depth to bottom of fresh water: Depth to bottom of usable water:
Other:	Depth to bottom of usable water:
If OWWO: old well information as follows:	Surface Pipe by Alternate: I II
	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
ectional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
s, true vertical depth:	DWR Permit #:
om Hole Location:	(Note: Apply for Permit with DWR)
C DKT #:	Will Cores be taken?
	If Yes, proposed zone:
 The appropriate district office will be notified before well is either plugger. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order # 	h drilling rig; by circulating cement to the top; in all cases surface pipe shall be set le underlying formation. trict office on plug length and placement is necessary prior to plugging ;
For KCC Use ONLY API # 15 Conductor pipe required feet Alinimum surface pipe required feet per ALT. I II	Remember to: - File Drill Pit Application (form CDP-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date; - File acreage attribution plat according to field proration orders; - Notify appropriate district office 48 hours prior to workover or re-entry; - Submit plugging report (CP-4) after plugging is completed (within 60 days);

check the box below and return to the address below.

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

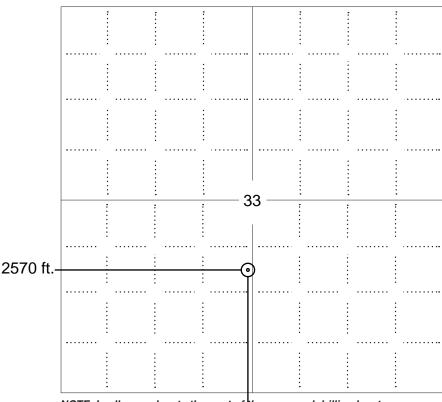
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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.

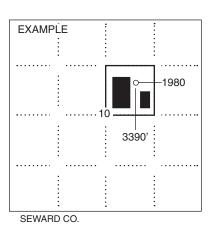
API No. 15	
Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	SecTwpS. R 🗌 E 📗 W
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary. Section 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.)





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

1680 ft.

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

025616

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):	Artificial Liner? Yes Length (feom ground level to de	No No et) Describe proce	SecTwpR East West West Feet from North / South Line of Section Feet from East / West Line of Section Coun Coun Chloride concentration: mg/ (For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used? Width (feet) N/A: Steel Pits			
Distance to nearest water well within one-mile of pit		Depth to shallo	owest fresh waterfeet.			
		Source of infor				
feet Depth of water well	feet		uredwell owner electric logKDWR			
Emergency, Settling and Burn Pits ONLY:		•	cover and Haul-Off Pits ONLY:			
Producing Formation:		Type of material utilized in drilling/workover:				
Number of producing wells on lease:		Number of working pits to be utilized:				
Barrels of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Abandonment procedure: Drill pits must be closed within 365 days of spud date.				
Submitted Electronically						
	ксс	OFFICE USE OF	NLY Steel Pit RFAC RFAS			
Date Received: Permit Num	ber:	Permi	nit Date: Lease Inspection:			

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Received for record at 4.15 stelock P M. op 5

State of Kansas)

Received for record at 4.15 stelock P M. op 5

Rooks County) Records at page 249

Register of Deeds

Register of Deeds

DECLARATION OF UNITIZATION

THIS DECLARATION OF UNITIZATION is made this 5th day of January, 2009, by Black Diamond Oil, Inc., hereinafter called Lessee, WITNESSETH:

WHEREAS, the parties hereto desire the Oil and Gas Leases shown on Exhibit A, attached hereto and incorporated herein by reference, be consolidated and unitized into one operating unit according to, and in compliance with, the Rules and Regulations of the Kansas Corporation Commission.

AND WHEREAS, the Lessors of the JME Farm Leases covering SE½ Sec. 33-6-20 and the Lessors of the Vehige Leases covering SW½ Sec. 33-6-20 have previously authorized Lessee to pool and unitize said lease so that each Lessor would receive pro rata division of all royalties from the sale of oil or gas or either of them produced from the Unitized Area in the proportion that each Lessor's mineral interest bears to the total minerals within the Unitized Area as set forth in Exhibit A.

NOW, THEREFORE, in consideration of these premises and of the mutual benefits hereinafter contained, Lessee does hereby pool and unitize the oil and gas leases set forth in Exhibit A in accordance with the following terms and conditions:

- 1. By virtue of the power and authority granted by each landowner/lessor to the Lessee, Lessee declares for all purposes that the oil and gas leases set forth in Exhibit A are pooled and unitized forming the Unitized Area described therein. The Unitized Area shall be developed and operated as one leased tract regardless of how the same or the minerals thereunder may be divided in ownership, just as though such Unitized Area had originally been covered by a single oil and gas lease. The oil, gas or either of them in, under or produced from said Unitized Area is pooled and unitized and shall be treated as an entirety and the royalties thereon shall be paid ratably to the owners of each particular tract in such Unitized Area in accordance with Exhibit A and as their interest in each such particular tract may appear and according to the applicable royalty provisions and other terms of the oil and gas lease covering that particular tract.
- 2. Exhibit A sets forth and establishes the total acreage owned by each Lessor. Royalty, overriding royalty, and working interest payments will be based upon the decimal interest in production from said Unitized Area as is also shown thereon and on the Division Order when issued.
- 3. Any oil or gas well producing in commercial quantities under the terms of this agreement, or the oil and gas leases subject to this agreement, shall be deemed to be drilled under the terms of and located on the lands covered by each of said oil and gas lease and operations for the drilling, reworking of or production of all oil or gas from any such well or wells shall operate to keep in force the entire oil and gas leasehold estate

BK 0393PG 250

under each of said leases, just as though such well or wells were located on particular land covered by each particular lease. The drilling of or production from any well capable of producing oil or gas in commercial quantities upon the Unitized Area shall constitute full and complete development of each of the oil and gas leases hereby unitized.

- 4. This declaration and the oil and gas leasehold rights of Lessee under all leases covering the tracts of land within the Unitized Area shall be and remain in full force and effect so long as oil or gas or either of them can be produced in commercial quantities from any well in said Unitized Area and shall not be effected by the expiration of the primary term of any of said leases.
- 5. This declaration and all of the terms and conditions hereof shall be considered as covenants running with the land and shall likewise extend to and be binding upon the heirs, successors, and assigns of all parties hereto.

IN WITNESS WHEREOF, the Lessee has executed this Declaration of Unitization as of the date first above written.

BLACK DIAMOND OIL, INC.

Kenneth Vehige, President

ACKNOWLEDGMENT FOR CORPORATION

STATE OF KANSAS)
) ss:
COUNTY OF ROOKS)

The foregoing instrument was acknowledged before me this 5th day of January, 2009, by Kenneth Vehige, President of Black Diamond Oil, Inc., a Kansas corporation, on behalf of the corporation.

My commission expires: 8-29-2010

Notary Public

EXHIBIT A

UNIT AREA

THE WEST HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER (W½NW¼SE¼) and THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER (E½NE¼SW¼) OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M., Rooks County, Kansas.

OIL AND GAS LEASES POOLED AND UNITIZED

1. JME Farms Leases:

a. Oil and Gas Lease dated April 5, 2007, recorded in Book 370, pages 176, from JME Farms, a Kansas Partnership, by JoAnn Berens, partner, Lessor, to and in favor of Black Diamond Oil, Inc., Lessee, and covering:

THE SOUTHEAST QUARTER (SE¼) OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M., Rooks County, Kansas.

b. Oil and Gas Lease dated April 5, 2007, recorded in Book 370, pages 177, from JME Farms, a Kansas Partnership, by Erv Hertel, partner, Lessor, to and in favor of Black Diamond Oil, Inc., Lessee, and covering:

THE SOUTHEAST QUARTER (SE¼) OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M., Rooks County, Kansas.

c. Oil and Gas Lease dated April 5, 2007, recorded in Book 370, pages 178, from JME Farms, a Kansas Partnership, by Mary Miller, partner, Lessor, to and in favor of Black Diamond Oil, Inc., Lessee, and covering:

THE SOUTHEAST QUARTER (SE½) OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M., Rooks County, Kansas.

2. Vehige Leases:

a. Oil and Gas Lease dated October 1, 2008, recorded in Book 391, page 63, from Kenneth Vehige and Dena Vehige, his wife, Lessors, to and in favor of Black Diamond Oil, Inc., Lessee and covering:

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THE SOUTHWEST QUARTER (SW1/4) OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M., Rooks County, Kansas.

b. Oil and Gas Lease dated December 12, 2008, recorded in Book 393, page 280, from Agnes G. Vehige as Trustee of the Agnes G. Vehige Revocable Trust dated August 14, 2008, Lessor, to and in favor of Black Diamond Oil, Inc., Lessee and covering:

THE SOUTHWEST QUARTER (SW1/4) OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M., Rooks County, Kansas.

TRACT PARTICIPATION

Each of the above tracts will participate equally (50/50) in the production of oil, gas and other minerals from the Unit Area.

ROYALTY PARTICIPATION

JME Farms .062500 Royalty

Agnes Vehige Revocable Trust dated August 14, 2008

Kenneth Vehige .031250 Royalty