

| For KCC | Use: | | |
|------------|-------|----------|--|
| Effective | Date: | | |
| District # | | | |
| 00.40 | | — | |

Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1 October 2007 Form must be Typed

| | ITENT TO DRILL All blanks must be Filled (5) days prior to commencing well |
|---|---|
| 5 | Cont. Department |
| Expected Spud Date: day year | Spot Description: |
| | Sec Twp S. R E W |
| OPERATOR: License# | feet from N / S Line of Section |
| Name: | feet from E / W Line of Section |
| Address 1: | Is SECTION: Regular Irregular? |
| Address 2: | (Note: Locate well on the Section Plat on reverse side) |
| City: State: Zip: + | County: |
| Contact Person: | Lease Name: Well #: |
| Phone: | Field Name: |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? |
| Name: | 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 No |
| Seismic ; # of Holes Other | Depth to bottom of fresh water: |
| Other: | Depth to bottom of usable water: |
| | Surface Pipe by Alternate: III |
| If 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: |
| | Water Source for Drilling Operations: |
| Directional, Deviated or Horizontal wellbore? Yes No | Well Farm Pond Other: |
| If Yes, true vertical depth: | DWR Permit #: |
| Bottom Hole Location: | (Note: Apply for Permit with DWR) |
| KCC DKT #: | Will Cores be taken? |
| | If Yes, proposed zone: |
| The undersigned hereby affirms that the drilling, completion and eventual plu t is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set be underlying formation. |
| 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically | led or production casing is cemented in; d from below any usable water to surface within <i>120 DAYS</i> of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing |
| | Remember to: |
| For KCC Use ONLY | - File Drill Pit Application (form CDP-1) with Intent to Drill; |
| API # 15 - | - File Completion Form ACO-1 within 120 days of spud date; |

| | Remember to: |
|---|---|
| For KCC Use ONLY | File Drill Pit Application (form CDP-1) with Intent to Drill; File Completion Form ACO-1 within 120 days of spud date; |
| API # 15 | |
| Conductor pipe requiredfeet | File acreage attribution plat according to field proration orders; Notify appropriate district office 48 hours prior to workover or re-entry; |
| Minimum surface pipe requiredfeet per ALT. I II | - Submit plugging report (CP-4) after plugging is completed (within 60 days); |
| Approved by: | Obtain written approval before disposing or injecting salt water. If this permit has expired (See: authorized expiration date) please check the box below and return to the address below. Well Not Drilled - Permit Expired Date: Signature of Operator or Agent: |
| This authorization expires: | |



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

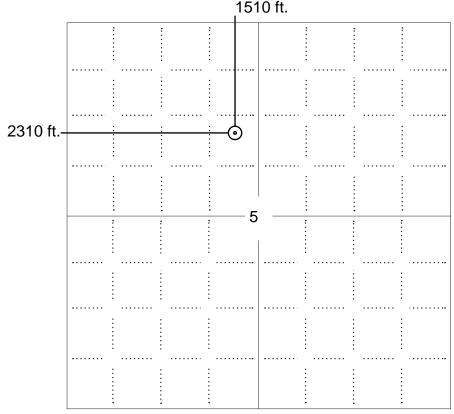
Plat of acreage attributable to a well in a prorated or spaced field

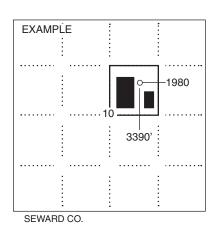
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please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





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 OIL & GAS CONSERVATION DIVISION

035175

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 | |
| | | ccgy, | |
| 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 |



HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
 - (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
 - (1) A \$1,000 penalty for the first violation;

- (2) a \$2,500 penalty for the second violation; and
- (3) a \$5,000 penalty and an operator license review for the third violation.

<u>File Haul-Off Pit Application in SOLAR. Review the information below and attach all</u> required documents to the pit application when submitting through SOLAR. This form will automatically generate and fill in from questions asked in SOLAR.

| Haul-off pit will be located in an on-site disposal area:YesNo | |
|---|----|
| Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:YesNo If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application. | en |
| Haul-off pit is located in an off-site disposal area on another producing lease or unit operated the same operator:YesNo If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage whe the haul-off pit is to be located, to the haul-off pit application. | |



February 17, 2010

TOM FERTAL Samuel Gary Jr. & Associates, Inc. 1515 WYNKOOP, STE 700 DENVER, CO 80202

Re: Drilling Pit Application ORTH 4-5 NW/4 Sec.05-19S-10W Rice County, Kansas

Dear TOM FERTAL:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through SOLAR. This location will have to be inspected prior to approval of the haul-off pit application.