

For KCC Use:  
Effective Date: \_\_\_\_\_  
District # \_\_\_\_\_  
SGA?  Yes  No

**NOTICE OF INTENT TO DRILL**  
Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: \_\_\_\_\_  
month day year

OPERATOR: License# \_\_\_\_\_  
Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

CONTRACTOR: License# \_\_\_\_\_  
Name: \_\_\_\_\_

Well Drilled For:  Oil  Gas  Seismic ; \_\_\_\_\_ # of Holes  Other: \_\_\_\_\_  
Enh Rec  Storage  Disposal  
Infield  Pool Ext.  Wildcat  Other  
Well Class: \_\_\_\_\_  
Type Equipment:  Mud Rotary  Air Rotary  Cable

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_  
\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
(AAA) \_\_\_\_\_ feet from  N /  S Line of Section  
\_\_\_\_\_ feet from  E /  W Line of Section

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  No

Target Formation(s): \_\_\_\_\_  
Nearest Lease or unit boundary line (in footage): \_\_\_\_\_

Ground Surface Elevation: \_\_\_\_\_ feet MSL  
Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No  
Depth to bottom of fresh water: \_\_\_\_\_

Depth to bottom of usable water: \_\_\_\_\_  
Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: \_\_\_\_\_  
Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: \_\_\_\_\_  
Formation at Total Depth: \_\_\_\_\_

Water Source for Drilling Operations:  
 Well  Farm Pond Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR  )

Will Cores be taken?  Yes  No  
If Yes, proposed zone: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **shall be set** by circulating cement to the top; in all cases surface pipe **shall be set** through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 DAYS** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **In all cases, NOTIFY district office** prior to any cementing.

**Submitted Electronically**

**For KCC Use ONLY**  
API # 15 - \_\_\_\_\_  
Conductor pipe required \_\_\_\_\_ feet  
Minimum surface pipe required \_\_\_\_\_ feet per ALT. I II  
Approved by: \_\_\_\_\_  
**This authorization expires:** \_\_\_\_\_  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

**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);
- 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: \_\_\_\_\_



**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

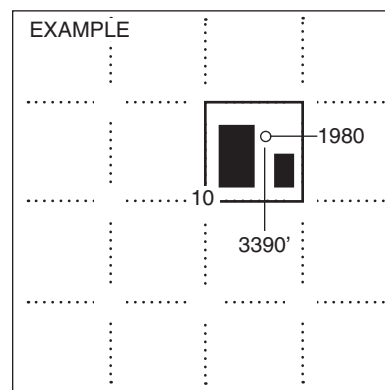
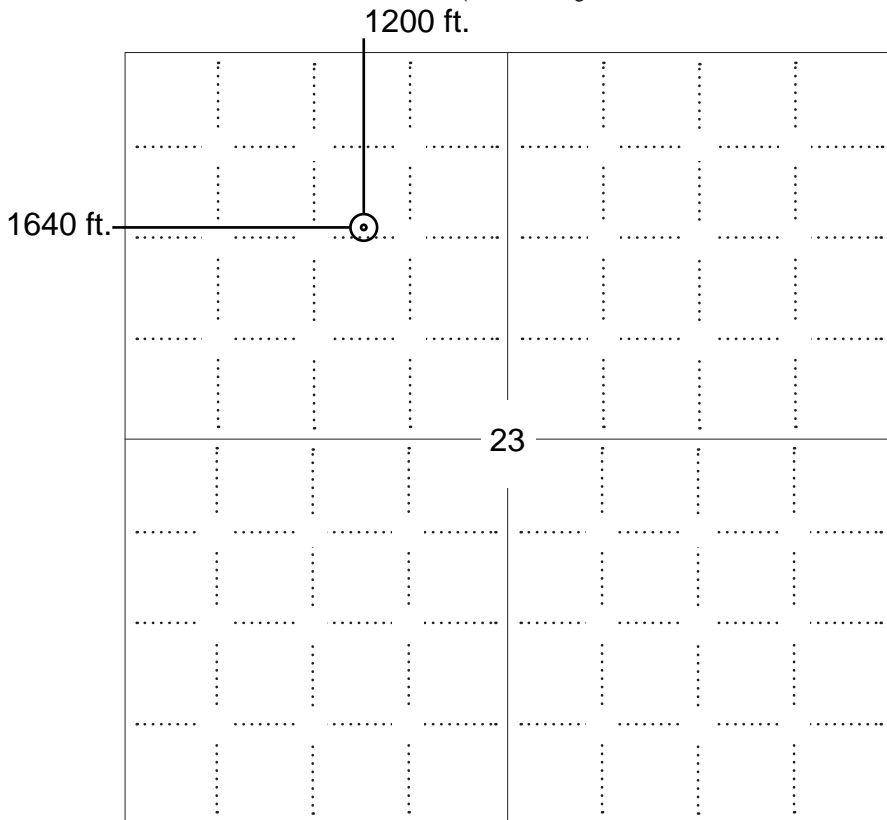
**If Section is Irregular, locate well from nearest corner boundary.**

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).

**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			

**KCC OFFICE USE ONLY**

Steel Pit

RFAC

RFAS

Date Received: \_\_\_\_\_ Permit Number: \_\_\_\_\_ Permit Date: \_\_\_\_\_ Lease Inspection:  Yes     No

FAX TRANSMITTAL SHEET

Central Kansas Oilfield Services, Inc.

2344 Washington  
Great Bend, Kansas 67530  
(620) 792-1977  
(620) 792-2873 fax

DATE: 6-9-10

PAGES INCLUDING COVER SHEET: 2

TO: \*JOHN MARVIN  
NAME: BARLY GAGER / SHARON WELLS  
COMPANY: FLATIRON'S RESOURCES, LLC

FAX NO. 303-292-2579

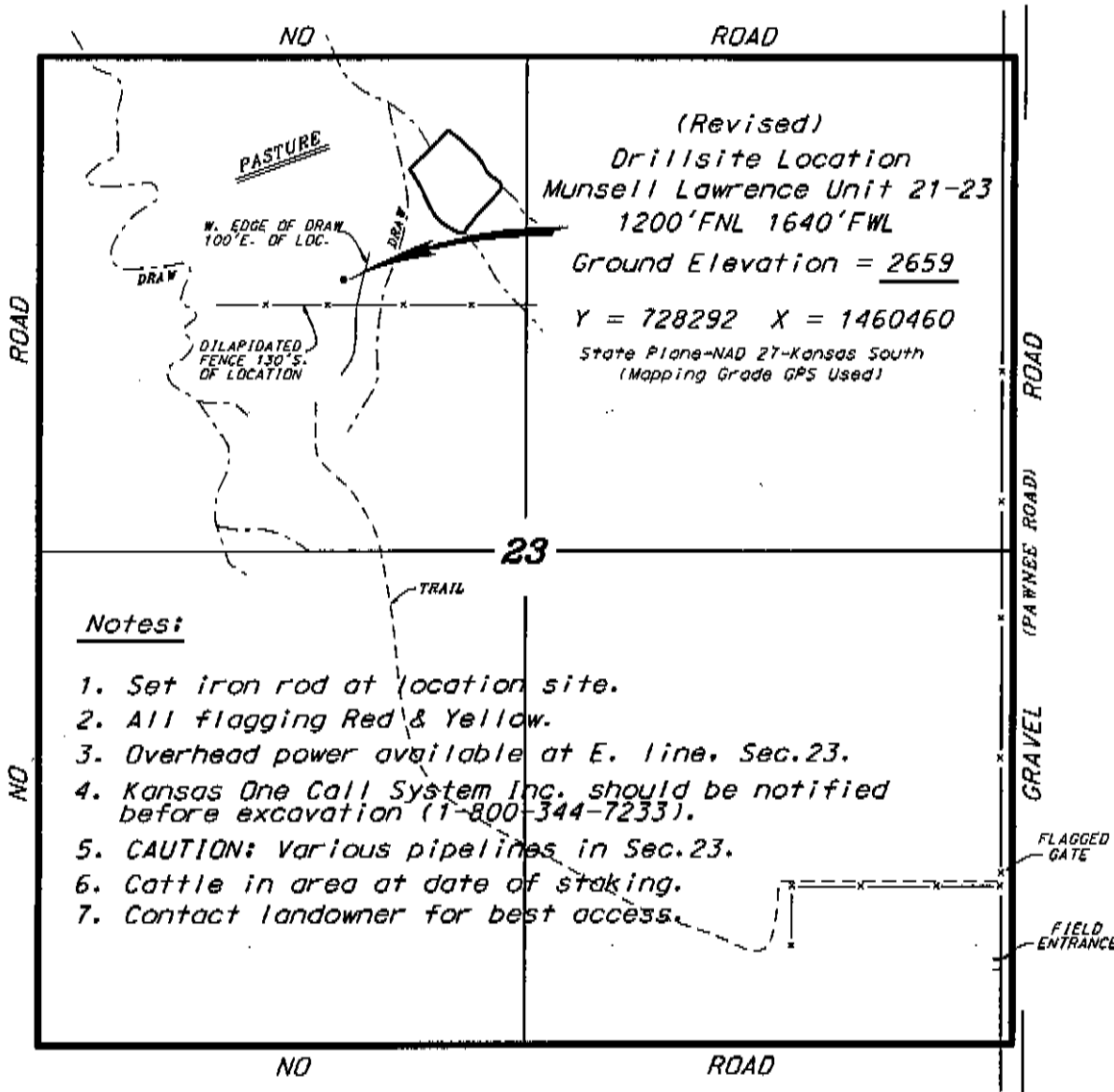
MESSAGE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IF YOU HAVE ANY QUESTIONS OR DID NOT RECEIVE THE PROPER NUMBER  
OF PAGES, PLEASE CALL DOUGLAS K. REISER AT (620)792-1977

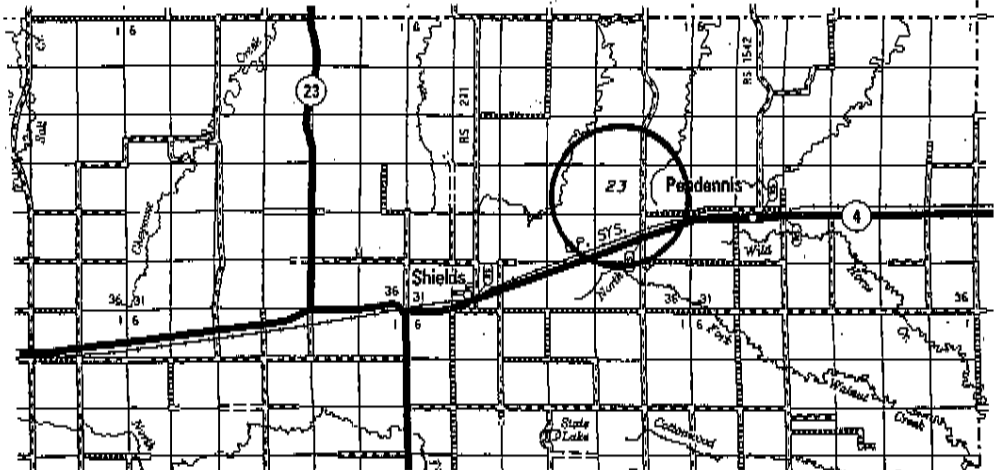
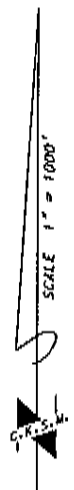
THANK YOU

**CONFIDENTIALITY NOTICE:** The documents accompanying this fax transmission are confidential information and intended only for the use of the entity named above. If you have received this fax in error, please immediately notify us by telephone to arrange for the return of these documents.

FLATIRONS RESOURCES, LLC  
MUNSELL LAWRENCE LEASE  
NW. 1/4, SECTION 23, T16S, R28W  
LANE COUNTY, KANSAS



\*Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



\* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.

\* Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all taxes, costs and expenses and said entities released from any liability from incidental or consequential damages.

\* Elevations derived from National Geodetic Vertical Datum.

Date June 8, 2010

DECLARATION OF POOLING, UNITIZATION AND CONSOLIDATION

KNOW ALL MEN BY THESE PRESENTS: That,

WHEREAS, Flatirons Resources, LLC is the operator and/or agent for the owners of the following-described Oil and Gas Leases:

Oil and Gas Lease dated April 15, 2010 from Eugene V. Munsell, individually and as Power of Attorney for Larry D. Munsell, Rubye A. Munsell & Irene Munsell, as Lessor, to Flatirons Resources LLC, as Lessee, covering the N/2N/2 of Section 23, Township 16 South, Range 28 West, Lane County, Kansas, recorded in the office of the Register of Deeds, Lane County, Kansas in Book 130 at Page 229; and

Oil and Gas Lease dated April 15, 2010 from Eugene V. Munsell, Trustee of the Warren L. Munsell Trust dated April 21, 1993, as Lessor, to Flatirons Resources LLC, as Lessee, covering the N/2N/2 of Section 23, Township 16 South, Range 28 West, Lane County, Kansas, recorded in the office of the Register of Deeds, Lane County, Kansas in Book 130 at Page 230; and

Oil and Gas Lease dated December 23, 2009 from Howard Lawrence, et ux., as Lessor, to Flatirons Resources LLC, as Lessee, covering the S/2 & S/2N/2 of Section 23, Township 16 South, Range 28 West, Lane County, Kansas, recorded in the office of the Register of Deeds, Lane County, Kansas in Book 130 at Page 78.

WHEREAS, said Oil and Gas Leases each grant to the lessee the right and power to pool or combine the acreage covered by said lease or any portion thereof with other land, lease or leases when in the 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 land, 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;

WHEREAS, each of the above-described Oil and Gas Leases is presently effective with respect to the acreage covered thereby;

WHEREAS, in the judgment of Flatirons Resources, LLC it is necessary and advisable to pool, unitize, and consolidate the oil rights associated with the above-described Oil and Gas Leases in order to properly develop and operate the same and promote the conservation of oil and other



minerals in and under the land covered thereby, upon the terms and conditions hereinafter provided, and as provided by the terms of the Oil and Gas Leases hereinbefore set forth; and

WHEREAS, Flatirons Resources, LLC desires to record this declaration of the pooling, unitization, and consolidation of said Oil and Gas Leases, insofar as they cover the lands hereinafter described, to form an oil operating unit as herein set forth.

NOW, THEREFORE, in consideration of the premises, and pursuant to the authority granted by each of the above-described Oil and Gas Leases, Flatirons Resources, LLC does hereby execute this Declaration of Pooling, Unitization, and Consolidation to form a 10 acre operating unit, as to oil rights only, including Lessors' royalty interests therein, consisting of the following-described lands:

That portion of the N/2NW of Section 23, T16S, R28W and that portion of the S/2NW of Section 23, T16S, R28W, Lane County, Kansas located within a square comprised of 10 acres and surrounding the Munsell-Lawrence Unit #21-23 Well (located 1200' FNL & 1640' FWL of Section 23, T16S, R28W, Lane County, Kansas) and with said well located in the center of the square and the center point of each side of the square being 330 feet from said well and being equidistant,

to the same extent as if said oil leasehold estates had originally been included in one oil and gas lease, which pooled, unitized and consolidated area is hereby designated the Munsell-Lawrence Unit.

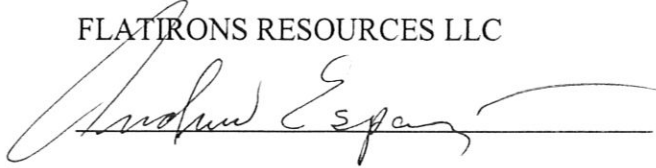
IT IS HEREBY AGREED, that the entire acreage so pooled, unitized, and consolidated shall be treated for all purposes, except the payment of royalties on production from said unit, as if it were included in each of the above-described Oil and Gas Leases, and that if oil production is found on the oil operating unit herein described, it shall be treated as if production is had from each of said leases, regardless of where the oil well or wells may be located upon the oil operating unit. In lieu of oil royalty, lessors shall receive on oil produced from the oil operating unit only such portion of the royalty stipulated in each of the above-described Oil and Gas Leases as the amount of their net royalty interest therein on an acreage basis bears to the total acreage so pooled and consolidated in the oil operating unit. The lessee or operator of said unit shall be under no obligation to drill more than one oil well on said unit.

IT IS FURTHER HEREBY AGREED, and it is the intention of Flatirons Resources, LLC, that this Declaration of Pooling, Unitization, and Consolidation shall supplement each and all of the above-described Oil and Gas Leases and, except to the extent so supplemented and modified, said leases shall remain in full force and effect as written, executed, delivered, and recorded.

THIS DECLARATION, and the terms and conditions hereof, shall extend to and be binding upon Flatirons Resources, LLC, the lessors of the above-described Oil and Gas Leases, and their respective heirs, successors, representatives, and assigns.

IN WITNESS WHEREOF, the undersigned has caused this Declaration of Pooling, Unitization, and Consolidation to be executed this 9<sup>th</sup> day of June, 2010 and effective as of the date oil is first produced from the Munsell-Lawrence Unit #21-23 Well.

FLATIRONS RESOURCES LLC




Name: Andrew Esparza  
Managing Director

STATE OF COLORADO )  
  ) SS.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of June, 2010 by Andrew Esparza, Managing Director of Flatirons Resources, LLC, a Colorado Limited Liability Company, for the uses and purposes therein set forth.

My Commissions Expires: 7-31-2013



Notary Public

**AMBER LOBATO**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
MY COMMISSION EXPIRES 07-31-2013



## Summary of Changes

Lease Name and Number: Munsell Lawrence Unit 21-23

API/Permit #: 15-101-22239-00-00

Doc ID: 1039176

Correction Number: 1

Approved By: Rick Hestermann 05/18/2010

Field Name	Previous Value	New Value
Contractor Name	Advise on ACO-1 -- Must be licensed by KCC	Advise on ACO-1 -- Must be licensed by KCC
Elevation Source	Estimated	Surveyed
ElevationPDF	2648 Estimated	2659 Surveyed
Fresh Water Information Source: KDWR	Yes	No
Ground Surface Elevation	2648	2659
KCC Only - Date Received	05/18/2010	06/10/2010
LocationInfoLink	<a href="https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=23&amp;t330">https://solar.kgs.ku.edu/ kcc/detail/locationInform ation.cfm?section=23&amp;t 330</a>	<a href="https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=23&amp;t130">https://solar.kgs.ku.edu/ kcc/detail/locationInform ation.cfm?section=23&amp;t 130</a>
Nearest Lease Or Unit Boundary		
Number of Feet North or South From Section Line	1265	1200
Number of Feet North or South From Section Line	1265	1200

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Save Link	../../../../kcc/detail/operatorEditDetail.cfm?docID=1038110	../../../../kcc/detail/operatorEditDetail.cfm?docID=1039176

## Summary of Attachments

Lease Name and Number: Munsell Lawrence Unit 21-23

API: 15-101-22239-00-00

Doc ID: 1039176

Correction Number: 1

Approved By: Rick Hestermann 05/18/2010

Attachment Name