

| For KC     | C Use: |    |  |  |
|------------|--------|----|--|--|
| Effective  | Date:  |    |  |  |
| District # | #      |    |  |  |
| SGA?       | Yes    | No |  |  |

SGA?

# KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

# **NOTICE OF INTENT TO DRILL**

| Expected Spud Date:   | Spot Description:  |
|---|--|
| month day year  |  |
| ODERATOR, Licensett   | (0/0/0/0) feet from N / S Line of Section  |
| OPERATOR: License# Name:  | feet from E / W Line of Section  |
| Address 1:  | Is SECTION: Regular Irregular?   |
| Address 2:  |  |
| City: State: Zip: +   | (Note: Locate well on the Section Plat on reverse side)  |
| Contact Person:   | County:  |
| Phone:  | Lease Name: Well #:  |
| CONTRACTOR, Licensett   | 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 MSL  |
| 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:   |
| If ONANAYO, and wall information on fall sure   | 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?   | Well Farm Pond Other:  |
| If Yes, true vertical depth:  | DWR Permit #:  |
| Bottom Hole Location:   | ( <b>Note:</b> Apply for Permit with DWR )   |
| KCC DKT #:  | Will Cores be taken?   |
|   | If Yes, proposed zone:   |
|   |  |
| AFF   | IDAVIT   |
|   |  |
| The undersigned hereby affirms that the drilling, completion and eventual plu   |  |
| The undersigned hereby affirms that the drilling, completion and eventual plu It is agreed that the following minimum requirements will be met:   |  |
| The undersigned hereby affirms that the drilling, completion and eventual plu It is agreed that the following minimum requirements will be met:  1. Notify the appropriate district office <i>prior</i> to spudding of well;  | gging of this well will comply with K.S.A. 55 et. seq.   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It is agreed that the following minimum requirements will be met:   | gging of this well will comply with K.S.A. 55 et. seq. drilling rig;   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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 <b>shall be set</b> underlying formation.  |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the districtions.   | drilling rig; by circulating cement to the top; in all cases surface pipe <b>shall be set</b> underlying formation. ict office on plug length and placement is necessary <b>prior to plugging</b> ;  |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district office will be notified before well is either plugg  | drilling rig; by circulating cement to the top; in all cases surface pipe <b>shall be set</b> underlying formation. ict office on plug length and placement is necessary <b>prior to plugging</b> ; ed or production casing is cemented in;  |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  5. The appropriate district office will be notified before well is either plugg  6. If an ALTERNATE II COMPLETION, production pipe shall be cemented.  | drilling rig; by circulating cement to the top; in all cases surface pipe <i>shall be set</i> underlying formation. ict office on plug length and placement is necessary <i>prior to plugging</i> ; ed or production casing is cemented in; If from below any usable water to surface within <i>120 DAYS</i> of spud date.   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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.   | drilling rig; by circulating cement to the top; in all cases surface pipe <i>shall be set</i> underlying formation. ict office on plug length and placement is necessary <i>prior to plugging;</i> ed or production casing is cemented in; If 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   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  5. The appropriate district office will be notified before well is either plugg  6. If an ALTERNATE II COMPLETION, production pipe shall be cemented.  | drilling rig; by circulating cement to the top; in all cases surface pipe <i>shall be set</i> underlying formation. ict office on plug length and placement is necessary <i>prior to plugging;</i> ed or production casing is cemented in; If 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   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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.   | drilling rig; by circulating cement to the top; in all cases surface pipe <i>shall be set</i> underlying formation. ict office on plug length and placement is necessary <i>prior to plugging;</i> ed or production casing is cemented in; If 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   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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   | drilling rig; by circulating cement to the top; in all cases surface pipe <i>shall be set</i> underlying formation. ict office on plug length and placement is necessary <i>prior to plugging;</i> ed or production casing is cemented in; If 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   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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   | drilling rig; by circulating cement to the top; in all cases surface pipe <b>shall be set</b> underlying formation. ict office on plug length and placement is necessary <b>prior to plugging</b> ; ed or production casing is cemented in; I from below any usable water to surface within <b>120 DAYS</b> of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. <b>In all cases, NOTIFY district office</b> prior to any cementing.  |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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   | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; I from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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  For KCC Use ONLY   | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; If from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:  File Certification of Compliance with the Kansas Surface Owner Notification   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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  For KCC Use ONLY  API # 15  | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; If from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:  File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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  For KCC Use ONLY  API # 15  | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; If from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:  File Certification of Compliance with the Kansas Surface Owner Notification   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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  For KCC Use ONLY  API # 15 -  | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; If from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:  File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; File Drill Pit Application (form CDP-1) with Intent to Drill;   |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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  For KCC Use ONLY  API # 15  | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; If from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:  File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; File Drill Pit Application (form CDP-1) with Intent to Drill; File Completion Form ACO-1 within 120 days of spud date;  |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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  submitted Electronically  For KCC Use ONLY  API # 15   | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; I from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:  - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; - 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); |
| The undersigned hereby affirms that the drilling, completion and eventual plu It 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  4. If the well is dry hole, an agreement between the operator and the district.  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  For KCC Use ONLY  API # 15  Conductor pipe required feet  Minimum surface pipe required feet per ALT I II | drilling rig; by circulating cement to the top; in all cases surface pipe shall be set underlying formation. ict office on plug length and placement is necessary prior to plugging; ed or production casing is cemented in; I from below any usable water to surface within 120 DAYS of spud date. 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing.  Remember to:  File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; 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;   |

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Spud date: \_

please check the box below and return to the address below.

| Well will not be drilled or Permit Expired | Date: |  |
|--|-------|--|
| Signature of Operator or Agent:            |       |  |
|  |       |  |

Side Two



| For KCC Use ONLY |   |
|------------------|---|
| API # 15         | _ |

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

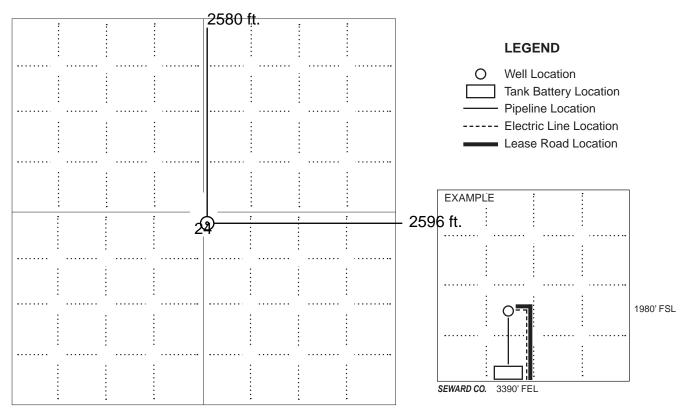
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

| 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. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

You may attach a separate plat if desired.



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).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



# KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1039959

Form CDP-1 May 2010 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   | Pit is:                 | Existing                               | SecTwp R  |  |
| Settling Pit Drilling Pit  | If Existing, date con   |  | Feet from North / South Line of Section   |  |
| Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)   | Pit capacity:           | (bbls)                                 | Feet from East / West Line of Section County                                    |  |
| Is the pit located in a Sensitive Ground Water A   | rea? Yes N              | No                                     | Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)        |  |
| Is the bottom below ground level?  Yes No  | Artificial Liner?       | 0                                      | How is the pit lined if a plastic liner is not used?                            |  |
| Pit dimensions (all but working pits):   | Length (fee             | t)                                     | Width (feet) N/A: Steel Pits  |  |
| Depth fro  | om ground level to deep | pest point:                            | (feet) No Pit   |  |
| If the pit is lined give a brief description of the line material, thickness and installation procedure. | ilei                    |  | dures for periodic maintenance and determining ncluding any special monitoring. |  |
| Distance to nearest water well within one-mile of pit:   |                         | Depth to shallor<br>Source of inforr   | west fresh water feet.<br>mation:   |  |
| feet Depth of water wellfeet   |                         | measured                               | well owner electric log KDWR  |  |
| Emergency, Settling and Burn Pits ONLY:  |                         | Drilling, Worko                        | over and Haul-Off Pits ONLY:  |  |
| Producing Formation:   |                         | Type of materia                        | al utilized in drilling/workover:   |  |
| Number of producing wells on lease:  |                         | Number of working pits to be utilized: |   |  |
| Barrels of fluid produced daily:   |                         | Abandonment p                          | procedure:  |  |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit?                      |                         | Drill pits must b                      | pe closed within 365 days of spud date.   |  |
| Submitted Electronically   |                         |  |   |  |
| KCC OFFICE USE ONLY  Liner Steel Pit RFAC RFAS   |                         |  |   |  |
| Date Received: Permit Numb   | ber:                    | Permi                                  | t Date: Lease Inspection: Yes No  |  |



# Kansas Corporation Commission Oil & Gas Conservation Division

1039959

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

# CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

| Select the corresponding form being filed: C-1 (Intent) CB-1 (CB-1)   | Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)  |  |  |
|---|--|--|--|
| OPERATOR: License #   | Well Location:   |  |  |
| Name:   |  |  |  |
| Address 1:  | County:  |  |  |
| Address 2:  | Lease Name: Well #:  |  |  |
| City:   | If filing a Form T-1 for multiple wells on a lease, enter the legal description of   |  |  |
| Contact Person:   | the lease below:   |  |  |
| Phone: ( ) Fax: ( )   |  |  |  |
| Email Address:  |  |  |  |
| Surface Owner Information:  |  |  |  |
| Name:   |  |  |  |
| Address 1:  | sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer. |  |  |
| Address 2:  |  |  |  |
| City:   |  |  |  |
| the KCC with a plat showing the predicted locations of lease roads, tank  | dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.             |  |  |
| ☐ I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s). | cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this   |  |  |
| task, I acknowledge that I am being charged a \$30.00 handling  If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-  | fee with this form. If the fee is not received with this form, the KSONA-1   |  |  |
| Submitted Electronically  |  |  |  |

accretions thereto.

## OIL AND GAS LEASE

|  | w: W  |
|--|---|
| THIS AGREEMENT, Entered into this the 15th the day of August , 20 08 t   | between   |
| Mathew A. Seltman, a single person and Rebecca A. Seltman, a single person   |   |
|  |   |
| , hereinaf   | fter called Lessor (whether one or more).   |
| and American Warrior, Inc.   | **************************************  |
|  | , hereinafter called Lessee   |
| Lessor, in consideration of Dollars in hand paid, receipt of which is here ackno provided and of the agreements of the Lessee herein contained, hereby grants, leases and purpose of investigating, exploring by geophysical and other means, prospecting drilling oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone thereon to produce, save, take care of, treat, manufacture, process, store and transport sai their respective constituent products and other products manufactured therefrom, and how employees, the following described land, together with any reversionary rights and after-County of Ness State of Kansas and described as follows to-wit:  The Southwest Quarter (SW/4) | I lets exclusively unto Lessee for the mining and operating for and producing s, water, other fluids, and air into lines, and other structures and things id oil, liquid hydrocarbons, gases and using and otherwise caring for its |
| In Section 24 , Township 18 South , Range 21 West , and containing 16  | o acres, more or less, and all  |

Subject to the provisions herein contained, this lease shall remain in force for a term of Three (3) date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is or can be produced from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed ninety (90) days, within which to obtain such rotary drilling rig and commence operations for the drilling of a well. In consideration of the premises the said Lessee covenants and agrees:

- To deliver to the credit of Lessor, free of cost, in the pipeline 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.
- To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at 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. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for he purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance, whether completed or not completed, due to the lack of a pipeline connection, and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after production therefrom, Lessee or any assignee hereunder may pay or tender annually, within sixty (60) days after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty, Five dollars (\$5.00) per net mineral acre retained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.
- 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 use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
  - 6. Lessee shall bury Lessee's pipelines below plow depth.
- No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
  - 8. Lessee shall pay for damages caused by Lessee's operations to said land.
- Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
- If the estate 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 such 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

State of Kansas - Ness County Book: 319 Page: 395
Receipt \*: 4736 Page: Recording Fee: \$12.00

Lessor herby 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 any mortgages, taxes or other liens 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 Lessors, for themselves and theirs, 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 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 into a unit or units not exceeding other minerals in and under and that may be produced from said premises, such pooling to be into a unit or units not exceeding other 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 this shall be treated, for all purposes except the payment of royalties on production from 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 or wells be located on the premises covered by this lease or not. In lieu of the royalty sipulated herein as the amount of his acreage placed or wells be located on the premises covered by this lease or not. In lieu of the royalty sipulated 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.

In lieu of shut in gas royalty of five dollars (\$5.00) per mineral acre, Lessor may use gas from gas wells located on Lessors properly to

| foregoing instrument was acknowledged Defore me this                      | yd, 02, lo yeb                            |
|---|---|
| UNIX OF   |   |
| earpires  | Notary Public                             |
|   |   |
|   | VIO B IN THE LAND                         |
| foregoing instrument was acknowledged before me this                      | day DEVISE CORSAIR My Appt. Fxp. 8-6-6-13 |
| JOLLA OF  | NOTARY PUBLIC - State of Kansas           |
| TE OF   | Notary Public                             |
| El-2/-8 seriqxe noiseimmoz  | Monde Longin                              |
|   | · · ·                                     |
| hew A. Seltman, a single person and Rebecca A. Seltma                     | ziudie betzou                             |
|   | yd, 80.0ς, JsuguΑ Jo γεb                  |
| NATY OF Core me this foregoing instrument was acknowledged before me this |   |
| TE OF KANSAS  |   |
|   | SS# or Tax #:                             |
|   |   |
|   | SS# 0t Tax #:                             |
| Secs A. Seltman   |   |
| Decca A Seltman   | :# xsT 10 #SS                             |
| hew A. Seltman  |   |
| Mille H Schman  |   |
|   |   |
| VITUESS WHEREOF, we sign the day and year first abov                      | íften.                                    |
|   |   |
|   |   |
|   |   |
|   |   |
|   |   |
|   |   |
|   |   |
| rate center pivot irrigation system located on Lessor's pro               |   |

Notary Public

## **OIL AND GAS LEASE**

| THIS AGREEMENT, Entered into this the 15th the day of August , 20   | 20.08 hetween   |
|---|---|
| Mathew A. Seltman, a single person and Rebecca A. Seltman, a single   |   |
|   | <b>(3)</b>  |
|   | , hereinafter called Lessor (whither one or more),  |
| and American Warrior, Inc.  |   |
|   | , hereinafter called Lessee:  |
| Lessor, in consideration of Dollars in hand paid, receipt of which is h provided and of the agreements of the Lessee herein contained, hereby grants, l purpose of investigating, exploring by geophysical and other means, prospectin oil, liquid hydrocarbons, all gases, and their respective constituent products, inj subsurface strata, laying pipe lines, storing oil, building tanks, power stations, t thereon to produce, save, take care of, treat, manufacture, process, store and tra their respective constituent products and other products manufactured therefror employees, the following described land, together with any reversionary rights County of Ness State of Kansas and described as follows to-wit: | leases and lets exclusively unto Lessee for the ng drilling, mining and operating for and producing tiecting gas, water, other fluids, and air into telephone lines, and other structures and things ansport said oil, liquid hydrocarbons, gases and m, and housing and otherwise caring for its |
|   |   |
| In Section 24 , Township 18 South , Range 21 West , and conta   | aining 160 acres, more or less, and all   |

Subject to the provisions herein contained, this lease shall remain in force for a term of <a href="Three (3)">Three (3)</a> 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 or can be produced from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed ninety (90) days, within which to obtain such rotary drilling rig and commence operations for the drilling of a well. In consideration of the premises the said Lessee covenants and agrees:

- 1. To deliver to the credit of Lessor, free of cost, in the pipeline 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.
- To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at 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. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for he purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance, whether completed or not completed, due to the lack of a pipeline connection, and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after production therefrom, Lessee or any assignee hereunder may pay or tender annually, within sixty (60) days after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty, Five dollars (\$5.00) per net mineral acre retained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.
- 3. 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.
- 4. 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.
- 5. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
  - 6. Lessee shall bury Lessee's pipelines below plow depth.
- 7. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
  - 8. Lessee shall pay for damages caused by Lessee's operations to said land.
- 9. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
- 10. If the estate 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.
- 11. 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 such portion or portions and be relieved of all obligations as to the acreage surrendered.
- 12. 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.

State of Kansas - Ness County

Book: 319 Page: 393

Receipt \*: 4736
Pages Recorded: 2
Cashier Initials: MH

Lessor herby 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 any mortgages, taxes or other liens 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 Lessors, 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 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 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 into a unit or units not exceeding other minerals in and under and that may be produced from said premises, such pooling to be into a unit or units not 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 herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or his 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 royalities elsewhere herein specified, Lessor shall or wells be located on the premises covered by this lease or not. In lieu of the royality stipulated herein as the amount of his acreage placed and the unit or his royally interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

| OUNTY OF he foregoing instrument was acknowledged before me this   | Jo yeb   | 02,                                     | Āqъ         |
|--|--|---|-------------|
| TATE OF  |  | Man I Cibrori                           |             |
| ly commission expires  |  | Notary Public                           |             |
|  |  |   |             |
|  | HIASHOO JOY AND TOTAL VI   | <del></del>                             |             |
| OUNTY OF her instrument was acknowledged before me the   | DTARY PUBLIC - State of Kansas<br>McAnot Event<br>My Anot Event<br>My An |   | Aq •        |
| TATE OF  | ISMA NOVICE  |   |             |
| Ty commission expires  |  | Motary Public                           | Moon        |
|  | <i>]</i>   | *************************************** |             |
|  | /  | <u> </u>                                | <i>V</i>    |
| Aathew A. Seltman, a single person and Rebecca A. Seltma   |  |   | <del></del> |
| OUNTY OF ASSESSION OF THE STREET OF THE STRE | jauguA jo yab  | 80 02,                                  | Λq•         |
| TATE OF KAUSAS   |  |   |             |
|  | :# xeT 10 #SS  |   |             |
|  | :# xbT 10 #SS  |   |             |
|  |  |   | ****        |
| Redecca A. Seltman   | SS# or Tax #:  |   |             |
| Asthew A. Seltman  | -:#xeT 10 SS   |   |             |
| Z3H WW   | .4201 10 33  | v                                       |             |
| V WITNESS WHEREOF, we sign the day and year first abov   | vritten.   |   |             |
|  |  |   |             |
|  |  |   |             |
|  |  |   |             |
|  |  |   |             |
|  |  |   |             |
|  |  |   |             |
|  |  |   |             |
| perate center pivot irrigation system located on Lessor's pro  |  |   |             |
| Il pumping units shall be set as not to interfere with the ope<br>of shut in gas royalty of five dollars (\$5.00) per minera   |  |   |             |

## **OIL AND GAS LEASE**

| THIS AGREEMENT, Entered into this the 15th the day of A        | August , 20 08 between   |
|--|--|
| Mathew A. Seltman, a single person and Rebecca A. Selt         |  |
|  | <b>5.45</b>  |
|  | , hereinafter called Lessor (whether one or more),   |
| and American Warrior, Inc.                                     | **************************************   |
|  | , hereinafter called Lessee:   |
| provided and of the agreements of the Lessee herein contained, | pt of which is here acknowledged and of the royalties herein hereby grants, leases and lets exclusively unto Lessee for the eans, prospecting drilling, mining and operating for and producing |

provided and of the agreements of the Lessee 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, storing oil, building tanks, 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 the County of Ness State of Kansas and described as follows to-wit:

The South One-half of the Northeast Quarter (S/2 NE/4) and The North One-Half of the Southeast Quarter (N/2 SE/4)

In Section 24 \_\_\_\_\_, Township 18 South \_, Range 21 West \_, and containing 160 \_\_\_\_\_ acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of <a href="Three">Three</a> (3)</a> 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 or can be produced from said land or land with which said land is pooled. If, due to circumstances beyond Lessee's control, Lessee is unable to obtain a rotary drilling rig prior to the expiration of the primary term, Lessor agrees that Lessee shall have a reasonable time, not to exceed ninety (90) days, within which to obtain such rotary drilling rig and commence operations for the drilling of a well. In consideration of the premises the said Lessee covenants and agrees:

- 1. To deliver to the credit of Lessor, free of cost, in the pipeline 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.
- To pay Lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at 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. At any time, either before or after the expiration of the primary term of this lease, if there is a gas well or wells on the above land (and, for he purposes of this clause, the term "gas well" shall include wells capable of producing natural gas, condensate, distillate or any gaseous substance, whether completed or not completed, due to the lack of a pipeline connection, and wells classified as gas wells by any governmental authority) and such well or wells are shut-in, before or after production therefrom, Lessee or any assignee hereunder may pay or tender annually, within sixty (60) days after the end of each yearly period during which such gas well or gas wells are shut-in, as substitute gas royalty, Five dollars (\$5.00) per net mineral acre retained hereunder, for the acreage then held under this lease, by the party making such payments or tenders, and, if such payments or tenders are made, it shall be considered under all provisions of this lease that gas is being produced from the leased premises in paying quantities.
- 3. 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.
- 4. 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.
- 5. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
  - 6. Lessee shall bury Lessee's pipelines below plow depth.
- 7. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
  - 8. Lessee shall pay for damages caused by Lessee's operations to said land.
- 9. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
- 10. If the estate 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.
- 11. 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 such portion or portions and be relieved of all obligations as to the acreage surrendered.
- 12. 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.

State of Kansas - Ness County

Book: 319 Page: 391

Receipt \*: 4736 Recording Fee: \$12.00

1

Lessor herby 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 any mortgages, taxes or other liens 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 Lessors, for themselves and theirs, 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 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 into a unit or units not exceeding other minerals in and under and that may be produced from said premises, such pooling to be into a unit or units not exceeding 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 into a tract or 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 or wells be located on the premises covered by this lease or not. In lieu 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.

In lieu of shut in gas royalty of five dollars (\$5.00) per mineral acre, Lessor may use gas from gas wells located on Lessors property to

|               |   | ·              | · · · · · · · · · · · · · · · · · · · | •                |                                       |
|---------------|---|----------------|---------------------------------------|------------------|---------------------------------------|
| yd. 02.       | јо увр_   |                | before me this                        | as acknowledged  | UNTY OF<br>foregoing instrument v     |
| Notary Public |   |                | <u>-</u>                              |                  | TE OF                                 |
|               |   |                |                                       |                  | commission expires                    |
|               |   |                |                                       | ***              |                                       |
| να,ος,        | PEMISE CORSAIN  PEMISE CORSAIN  PORMISE CORSAIN  PUBLIC - State of Kansas |                | gint om orotod                        | as acknowledged  | UNTY OF<br>foregoing instrument v     |
| Notary Public |   |                | <del></del>                           |                  | TE OF                                 |
| min Loroux    |   |                |                                       | 41-51-8          | espires noissimmos                    |
| /             | <u> </u>  |                |                                       |                  |                                       |
| yd. 80 02 .   | day of August   | MS Selfman, a. |                                       | as acknowledged  | VTYY OF OTTU                          |
|               | :# xeT 10 #SS   |                |                                       |                  | TE OF KANSAS                          |
|               | :# xsT 10 #SS   |                |                                       |                  |                                       |
|               | SS# or Tax #:_  |                | Un                                    | outras           | DOCCO H. Seltman                      |
|               | -:#xeT 10 SS  |                |                                       |                  | thew A. Seltman                       |
|               |   |                |                                       | <b>8</b>         | 1 /4 -W                               |
|               | tten.   | irst above wri | il yeay bas ye                        | F, we sign the c | MILNESS MHEKEC                        |
|               |   |                |                                       |                  |                                       |
|               |   |                |                                       |                  | · · · · · · · · · · · · · · · · · · · |
|               |   |                |                                       |                  |                                       |
|               |   |                |                                       |                  |                                       |
|               |   |                |                                       |                  |                                       |
|               |   |                |                                       |                  |                                       |

Notary Public

7





July 08, 2010

Scott Corsair American Warrior, Inc. PO Box 399 GARDEN CITY, KS 67846

Re: Drilling Pit Application Seltman 5 NE/4 Sec.24-18S-21W Ness County, Kansas

## Dear Scott Corsair:

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 within 96 hours of completion of drilling operations. Keep pits on south side of stake.

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 (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

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 (620) 225-8888.