

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

## 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	(Q/Q/Q/Q) 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: License II	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:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate: I II
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:	( <b>Note:</b> Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken? Yes No
	If Yes, proposed zone:
ΔΕΕ	IDAVIT
	TIDAVIT
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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:		



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: _							_ LO	cation of vve	eii: Coun	ty:				
Lease:										fe	et from	N /	S Line	of Section
Well Numb	er:									fe	et from	E /	W Line	of Section
Field:							_ Se	c	Twp		S. R		E	W
	Acres attrib						15 3	Section:	Regul	ar or	Irregula	ar		
QTR/QTR/	QTR/QTR	of acreag	e:				_	L			_			
								Section is I			NW		rner boun SW	dary.
				pelines and	d electrica	l lines, as ay attach a	required b	unit bound y the Kansa plat if desir	as Surface					
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#### 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.

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

- 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

1049766

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.	itei		dures for periodic maintenance and determining ncluding any special monitoring.		
Distance to nearest water well within one-mile of	of pit:	Depth to shallo	west fresh water feet. mation:		
feet Depth of water well	feet	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 work	king pits to be utilized:		
Barrels of fluid produced daily:		Abandonment p	procedure:		
Does the slope from the tank battery allow all splow into the pit? Yes No	pilled fluids to	Drill pits must b	pe closed within 365 days of spud date.		
Submitted Electronically					
	ксс	OFFICE USE OI	NLY  Liner Steel Pit RFAC RFAS		
Date Received: Permit Numb	ber:	Permi	t Date: Lease Inspection: Yes No		



#### Kansas Corporation Commission Oil & Gas Conservation Division

1049766

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:	SecTwpS. R East
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	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:	When filing a Form T-1 involving multiple surface owners, attach an additional
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
Address 2:	county, and in the real estate property tax records of the county treasurer.
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 k 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	

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: Finney, Kyler dba Finney Oil Company Location of Well: County: Montgomery Lease: M Melander \_\_ feet from X N / N S Line of Section Well Number: A3-11 \_\_\_feet from \_\_\_ E / X W Line of Section Field: Wayside-Havana S. R. 14 Number of Acres attributable to well: Is Section: Regular or Irregular QTR/QTR/QTR/QTR of acreage: N2 S2 If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW RLAT 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. ease Road **LEGEND** Well Location Tank Battery Location Pipeline Location -- Electric Line Location Lease Road Location 2640 ft. EXAMPLE 1980' FSI SEWARD CO. 3390' FEL

#### 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.

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

- 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.

## WELL LOCATIONS EXCEPTION AGREEMENT

AGREEMENT made this 27th day of January, 2011, by, between and among the following:

Southwinds Buffalo Ranch, Inc. A Kansas Corporation ("Southwinds");

Red Buffalo Ranch, LLC
A Kansas Limited Liability Company
("Red Buffalo");

Kyler Finney d/b/a Finney Oil Company ("Finney"); and

Kurtis Energy, LLC A Kansas Limited Liability Company ("Kurtis Energy").

WHEREAS, Southwinds is the owner of the following described real property, to wit:

The Northwest Quarter of the Northwest Quarter (NW/4 NW/4) and the East Half of the Southeast Quarter of the Northwest Quarter (E/2 SE/4 NW/4), Section Two (2), Township Thirty Four (34) South, Range Fourteen (14) East, Montgomery County, Kansas (the "Southwinds Land"),

upon which Southwinds, as lessor, granted to Finney, as lessee, an oil and gas lease dated July 30, 2009, which is recorded in Book 585, Page 777, in the office of the Register of Deeds of Montgomery County, Kansas (the "Southwinds Lease"); and

WHEREAS, Red Buffalo is the owner of the following described real property, to wit:

The North Half of the Southeast Quarter (N/2 SE/4) and the South Half of the Northeast Quarter (S/2 NE/4), Section Two (2), Township Thirty Four (34) South, Range Fourteen (14) East, Montgomery County, Kansas (the "Red Buffalo Land"),

upon which Red Buffalo, as lessor, granted to Kurtis Energy, as lessee, an oil and gas lease dated July 1, 2008, recorded in Book 579, Page 167, in the office of the Register of Deeds of Montgomery County, Kansas (the "Red Buffalo Lease"); and

WHEREAS, Finney is developing and operating the Southwinds Lease, and Kurtis Energy is developing and operating the Red Buffalo Lease, principally for the production of oil from the Wayside Sand (approximate depth subsurface 690' – 710') and Weiser Sand (approximate depth subsurface 790' – 810') underlying both leases; and

WHEREAS, the parties wish to provide for the orderly and efficient development of the Wayside Sand, optimizing its productivity while protecting the respective correlative rights of the parties in and to the common source of supply; and

WHEREAS, the parties share a common land and lease boundary which may be described as the West line of the S/2 NE/4 of Section 2, running a distance of approximately 1320' from North to South (the "Common Boundary Line") as to which the parties have agreed to reciprocally grant, one to the other, alternating well location exceptions, as more fully hereinafter described.

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. <u>Well Location Exceptions</u>. Notwithstanding the prevailing regional, regulatory set back standard of 165' from the lease boundary line, the parties reciprocally grant to one another two (2) well location exceptions, each, along the Common Boundary Line above described. The well locations are granted to benefit the respective leases for well locations generally described as follows:

<u>Lease</u> <u>Benefitted</u>	Operator	Well Name	Spot Locations (From NE Cor of Section 2)
Southwinds	Finney	Red Buffalo #L1	2655' FEL, 1485' FNL 2-34S-14E
Red Buffalo	Kurtis Energy		2625' FEL, 1815' FNL 2-34S-14E
Southwinds	Finney		2655' FEL, 2145' FNL 2-34S-14E
Red Buffalo	Kurtis Energy		2625' FEL, 2475' FNL 2-34S-14E

In other words, beginning from the North end of the Common Boundary Line (being the NW Corner S/2 NE/4 2-34S-14E) Finney shall be permitted to drill and produce Southwinds #A1-10 spaced 165' South, and Southwinds #A3-11 825' South, and Kurtis Energy shall be permitted to drill and produce Red Buffalo #L1 495' South and Red Buffalo #L2 1155' South, thereby resulting in standard 330' spacing North to South (165' set back from third party corners on the North and South ends). The Spot Locations contemplate, however, that each well head location shall remain on the lands covered by the lease (up to within 15' of the Common Boundary Line). The Spot Locations listed above are approximations, and shall be confirmed by mutual agreement at the time of staking or spudding of the wells.

2. <u>Correlative Rights</u>. Each party acknowledges that the well location exceptions granted will likely result in drainage from the Wayside Sand underlying their respective properties, but nevertheless consent to the drilling and operation of such wells, as they each deem their respective correlative

rights in the common source of supply will be adequately protected by the reciprocal well location exceptions hereby granted.

#### Other Provisions.

- (a) Each party acknowledges that natural and unavoidable deviation of the well bores, as well as perforation, fracturing and stimulation activities in the wells, may result in physical subsurface trespass, but each party waives and releases the others from any suit, claim or cause of action arising therefrom.
- (b) The nature, type, size and quantity of perforation, fracturing and stimulation activities in the wells described shall be disclosed by and to each party in advance of the performance of such operations, and shall be subject to mutual consent and approval of the parties.
- (c) This Agreement is made to provide for joint, but competitive, operations in the common source of supply of the Wayside Sand. Uphole recompletions, as well as deepening operations, by either party in the wells above described shall require the mutual consent and approval of the parties.
- (d) While this Agreement is intended to provide for development of the Wayside Sand for primary production, any party may undertake enhanced recovery and/or repressurization operations on their respective lands and leases, but the wells hereinabove described may not be utilized for either injection or disposal of water, brines or other enhanced recovery purposes (except normal well treatment and stimulation associated with primary production activities) except by the mutual consent and approval of the parties.
- 4. <u>Effect of Landowner Consents and Approvals</u>. The joinder of Southwinds and Red Buffalo in the execution of this Agreement, and their issuance of subsequent consents and approvals (or refusals thereof), are deemed made for the optimization of their respective and correlative rights, and shall not constitute the assumption of control over any well or wells. All legal and regulatory control and dominion over the wells and lease operations shall remain with the respective lessees herein named.
- 5. <u>Binding Effect</u>. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto, their successors and assigns. Should either oil and gas lease expire, terminate or become forfeit, the rights herein granted for the benefit of the other oil and gas lease shall remain in full force and effect.

STATE OF KANSAS

SS:

COUNTY OF MONTGOMERY

BE IT REMEMBERED that on this day of day of

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

A	NOTARY PUBLIC - State of Kansas
_A 1	TERRI L McDANIEL
	N = 3. Expires 12 - 03-13

Printed Name:

My Appointment Expires:

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STATE OF KANSAS

) SS:

COUNTY OF MONTGOMERY

BE IT REMEMBERED that on this day of device, 2011, before me, a Notary Public, in and for the County and State aforesaid, came Jack Horton, Member/Manager of Kurtis Energy, LLC, a limited liability company formed and existing under and by virtue of the laws of the State of Kansas, and who is personally known to me to be such officer and who is personally known to me to be the same person who executed, as such officer, the within instrument of writing on behalf of said company, and such person duly acknowledged the execution of the same to be the act and deed of said company.

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

NOTARY PUBLIC - State of Kansas
TERRI L McDANIEL
My Good Expires 2-0-/3

My Appointment Expires:

Printed Name:

STATE OF KANSAS

SS:

COUNTY OF MONTGOMERY

BE IT REMEMBERED that on this and day of January, 2011, before me, a Notary Public, in and for the County and State aforesaid, came Mikel E. Melander, President of Southwinds Buffalo Ranch, Inc., a corporation incorporated and existing under and by virtue of the laws of the State of Kansas, and who is personally known to me to be such officer and who is personally known to me to be the same person who executed, as such officer, the within instrument of writing on behalf of said corporation, and such person duly acknowledged the execution of the same to be the act and deed of said corporation.

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



My Appointment Expires: 2-03-13

Printed Name:

NOTARY PUBLIC

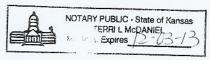
STATE OF KANSAS

ISS:

COUNTY OF MONTGOMERY

BE IT REMEMBERED that on this and day of anday, 2011, before me, a Notary Public, in and for the County and State aforesaid, came Kyler Finney, d/b/a Finney Oil Company, who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same to be his free act and deed.

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



My Appointment Expires: 17-03-13

Printed Name:

IN WITNESS WHEREOF this Agreement is executed by the parties effective as of the day and year first above written.

Southwinds Buffalo Ranch, Inc.

Mikel E. Melander, President

Kyler Finney, d/b/a Finney Oil Company

Red Buffalo Ranch, LLC

Kurtis Energy, LLC

Jack Horton, Member/Manager