

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1051627

March 2010 This Form must be Typed Form must be Signed All blanks must be Filled

Form CP-1

WELL I	PLUG	GING	APPL	ICATION
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Form KSONA-1, Certifi	cation of Compliance with t MUST be submitted		ner Notificat	ion Act,	Dianks must be Filled		
OPERATOR: License #:	API No. 15	API No. 15					
Name:	If pre 1967, supply						
Address 1:							
		-					
Address 2:		-	_ Feet from	North /	South Line of Section		
City: State:	-	Feet from East West Line of Section Footages Calculated from Nearest Outside Section Corner: NE NW SE SW					
Contact Person:	Footages Calculate						
Phone: ()	— <u> </u>						
		County:					
		Lease Name:		Well #:			
Check One: Oil Well Gas Well OC	G D&A Catho	odic Water Supply V	/ell C	other:			
SWD Permit #:	_ ENHR Permit #:		Gas Storage	Permit #:			
Conductor Casing Size:	Set at:	Cemented	d with:		Sacks		
Surface Casing Size:	Set at:	Cemente	d with:		Sacks		
Production Casing Size:							
List (ALL) Perforations and Bridge Plug Sets:							
Condition of Well: Good Poor Junk in Hole Proposed Method of Plugging <i>(attach a separate page if add</i> Is Well Log attached to this application? Yes N	litional space is needed):	(Interval)					
If ACO-1 not filed, explain why: Plugging of this Well will be done in accordance with P		ules and Regulations of	the State Cor	poration Commis	sion		
Company Representative authorized to supervise plugging			04-4-4	7:			
Address:		у	_ State:	Zip:	+		
Phone: ()							
Plugging Contractor License #:							
Address 1:							
City:			_ State:	Zip:	+		
Phone: ()							
Proposed Date of Plugging (if known):							
Payment of the Plugging Fee (K.A.R. 82-3-118) will be g	guaranteed by Operator or Age	ent					

Submitted Electronically



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1051627

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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

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 (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: Zip: Contact Person:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:			
Phone: () Fax: ()				
Email Address:				
Surface Owner Information:				
Name:	county, and in the real estate property tax records of the county treasurer.			
Address 1:				
Address 2:				
City: State: Zip:+				

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- □ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically

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Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802

Thomas E. Wright, Chairman Ward Loyd, Commissioner



phone: 316-337-6200 fax: 316-337-6211 http://kcc.ks.gov/

Corporation Commission

Sam Brownback, Governor

March 03, 2011

Dick Schremmer Bear Petroleum, Inc. PO BOX 438 HAYSVILLE, KS 67060-0438

Re: Plugging Application API 15-051-24074-00-00 YOUNKER 1 NE/4 Sec.35-14S-19W Ellis County, Kansas

Dear Dick Schremmer:

The purpose of this letter is twofold. First, this letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.

This letter is also to notify you that during the central office's review of your CP-1 for license number verification, staff has discovered that you are not the current operator of record of the above well on file with the Conservation Division. <u>Central office staff is therefore requesting</u> that you verify that you are the operator of record of the above well. The proper procedure for verifying operator authority is by filing a Conservation Division form T-1 (Request for Change of Operator; Transfer of Injection or Surface Pit Permit). If a T-1 has already been filed with the Conservation Division reflecting the transfer of operator authority, please disregard this paragraph. If a T-1 has not been filed reflecting the transfer, please see the attached letter, which explains the T-1 filing process.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. Furthermore, this notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after August 30, 2011. The CP-1 filing does not bring the above well into compliance with K.A.R 82-3-111 with regard to the Commission's temporary

abandonment requirements.

Sincerely, Production Department Supervisor

cc: District 4

(785) 625-0550

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802

Thomas E. Wright, Chairman Ward Loyd, Commissioner



phone: 316-337-6200 fax: 316-337-6211 http://kcc.ks.gov/

Corporation Commission

Sam Brownback, Governor

March 03, 2011

Self, Jackie Energy Sources, Inc. 1212 - 13 ST. 3RD FLOOR LUBBOCK, TX 79401-3942

Re: Plugging Application API 15-051-24074-00-00 YOUNKER 1 NE/4 Sec.35-14S-19W Ellis County, Kansas

Dear Self, Jackie:

On March 03, 2011 a well plugging application (CP-1) was received, which indicated to Staff that Bear Petroleum, Inc. is the current operator of the YOUNKER lease. However, Conservation Division records indicate you have not filed a Request for Change of Operator; Transfer of Injection or Surface Pit Permit (Conservation Division Form T-1) transferring operator responsibility to Bear Petroleum, Inc. for the YOUNKER lease. Energy Sources, Inc. therefore remains the Commission's operator of record and party responsible for the proper care and control of the YOUNKER lease.

K.A.R. 82-3-136(a) provides that if operator responsibility is transferred, the past operator shall report the transfer to the Conservation Division within 30 days of the change upon a form prescribed by the Commission (the T-1); and/or K.A.R. 82-3-410(a) provides that authority to operate an injection well shall not be transferred from one operator to another without the approval of the Conservation Division. Furthermore, the transferring operator shall in writing notify the Conservation Division of its intent to transfer the injection authority, on a form prescribed by the Commission, the T-1, and in compliance with K.A.R. 82-3-136.

Staff will provide you with 28 days from this letter's date to bring the YOUNKER lease into compliance with K.A.R. 82-3-136 and/or K.A.R 82-3-410(a). As such, you will have until March 31, 2011, to bring the YOUNKER lease into compliance. To bring your operations into compliance, you need to file a T-1 with the Conservation Division for the YOUNKER lease. A blank T-1 is enclosed with this letter. The T-1 is also available on the Conservation Division's website, at http://www.kcc.state.ks.us/conservation/forms/index.htm, or upon request in the Conservation Division's central office in Wichita or any of the Conservation Division's district offices. If Energy Sources, Inc. believes it is still the operator of the YOUNKER lease, you need to contact Jonelle Rains, the Conservation Division's Supervisor of Environmental Protection and Remediation, immediately to address the situation. Jonelle Rains may be

reached at the Conservation Division's central office in Wichita, at the contact information listed on the bottom of this page.

If by March 31, 2011, the Conservation Division has not received the T-1 requested, or you have not contacted Jonelle Rains and resolved this situation, Staff may refer the matter to Conservation Division legal staff with a recommendation for an administrative penalty or penalties. Violations of K.A.R. 82-3-136(a) and K.A.R. 82-3-410(a) are punishable by up to a \$1,000 fine for the first violation, \$2,000 for a second violation, and \$3,000 and operator license review for a third violation. In addition, Staff may ask the Commission to shut in your current operations until compliance is achieved.

Please contact the Conservation Division immediately, or provide the requested information by March 31, 2011, to remedy the above possible violation(s) and avoid further compliance action by the Commission. Please include a copy of this letter with completed T-1 form upon filing with the Conservation Division.

Sincerely, Production Department Supervisor

cc: Dick Schremmer Bear Petroleum, Inc. PO BOX 438 HAYSVILLE KS 67060