

Well will not be drilled or Permit Expired Date: _

Signature of Operator or Agent:

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	Sec Twp S. R
DPERATOR: License#	(0/0/0/0) feet from N / S Line of Section
Vame:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City:	County:
Contact Person:	Lease Name: Well #:
hone:	Field Name:
ONTRACTOR: License#	Is this a Prorated / Spaced Field?
lame:	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 MS
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:
If OMMAND, and well information as follows:	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:
virectional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
Yes, true vertical depth:	Well Farm Pond Other:
Bottom Hole Location:	DWR Permit #:(Note: Apply for Permit with DWR)
(CC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	ID AVIIT
	IDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plug	gging of this well will comply with K.S.A. 55 et. seq.
t is agreed that the following minimum requirements will be met:	
Notify the appropriate district office <i>prior</i> to spudding of well;	APPEN AS A
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202 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:	SecTwpS. R 🗌 E 🔲 W
Number of Acres attributable to well:	is Section: Regular of Irregular
	If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW
Show location of the well. Show footage to the neares lease roads, tank batteries, pipelines and electrical lines, as re	PLAT It lease or unit boundary line. Show the predicted locations of required by the Kansas Surface Owner Notice Act (House Bill 2032). Separate plat if desired.
	:
	LEGEND
	: O Well Location
	Tank Battery Location
	Pipeline Location
	Electric Line Location
	Lease Road Location
	EXAMPLE
34	⊙— 352 ft.
34	
	1980' FSL
	SEWARD CO. 3390' FEL

2548 ft.

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.

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

052477

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 Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A	Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls)		SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty Chloride concentration: mg/l(For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner? Yes N	No	How is the pit lined if a plastic liner is not used?	
	Length (fee		Width (feet)	
If the pit is lined give a brief description of the li material, thickness and installation procedure.	ilei		dures for periodic maintenance and determining any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:	
feet Depth of water well	feet	measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	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	procedure:	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must be closed within 365 days of spud date.		
Submitted Electronically				
KCC OFFICE USE ONLY Liner Steel Pit RFAC RFAS				
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No	



Kansas Corporation Commission Oil & Gas Conservation Division

1052477

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:			
lame: When filing a Form T-1 involving multiple surface owners, attach a			
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			

-1.58-1 Form 88 (producers) Rev. 1-83 (Paid-up) Kans. – Okla. – Colo.

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this the	24th	day of	June	, 20 <u>08</u>
Between Dale A.Smith and Sama		NAME	nd wife	
1918 County Road 430			any was are a grange to the art of the end of	
Oakley, Kansas 67748				:
hereinafter called lessor,				
and Thomas Energy Inc., 209 E.	William Su	uite 908, Wichit	<u>a, Kansas 67202 hereinaf</u> i	er called lessee, does witness:
1. That lessor, for and in consideration of the s contained to be performed by the lessee, has t the lessee the hereinafter described land, with and gas leases as to all or any part of the lan other exploratory work thereon, including co condensate, gas distillate, casinghead gasoli injecting water, brine, and other fluids and substillating power stations, electrical lines and conjointly with neighboring lands, to produce,	this day granter any reversion discovered the red drilling and their restances into the other structure.	d, leased, and let an nary rights therein, a ereby as hereinafter I the drilling, mining espective constituer e subsurface strata, es thereon necessar	d by these presents does hereby nd with the right to unitize this le provided, for the purpose of car , and operating for, producing it vapors, and all other gases, and for constructing roads, laying y or convenient for the economy	r grant, lease, and let exclusively unto case or any part thereof with other oil trying on geological, geophysical and and saving all of the oil, gas, gas found thereon, the exclusive right of g pipe lines, building tanks, storing oil, pical operation of said land alone or
substances into subsurface strata, said tract of and described as follows:	land being situ	uated in the County o	of Logan	State of Kansas
Township 12 South, Range 32 We Section 34: All	<u>est</u>			
containing 640.00 acres, more or less.				
This lease shall remain in force for a term casinghead gas, casinghead gasoline or any of The lessee shall deliver to lessor as royal.	f the products of	covered by this lease	is or can be produced.	The state of the s
eighth (1/8th) part of all oil produced and save royalty the market price at the wellhead for oil o	ed from the lea	ased premises, or at	the lessee's option may pay to	the lessor for such one-eighth (1/8th)

- 5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.
- 6. In the event 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 to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate,

gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

- 7. The lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.
- 8. 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 the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing the appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.
- 9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devisee, descent or otherwise, or to furnish separate measuring or receiving tanks.
- 10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in the event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.
- 11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.
- 12. Lessee may at arry time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.



State of Kansas

Logan County

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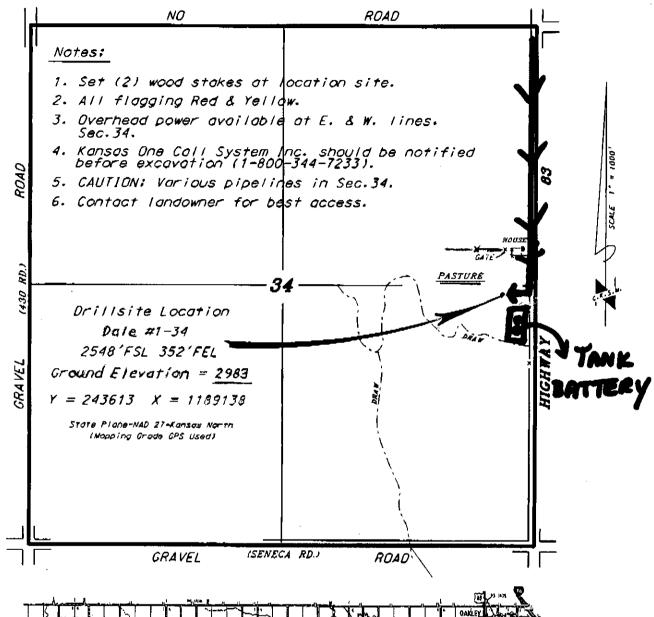
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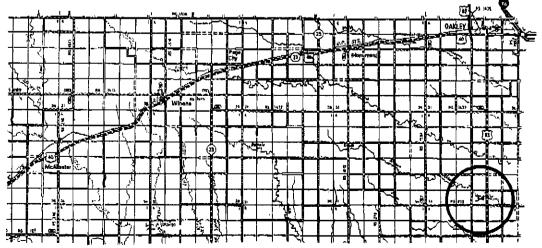
- 13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.
- 14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.
- 15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, we sign the day and year first above written.

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STATE OF KANSAS)			
COUNTY OF LOGAN)ss. _)	ACKNOWLEDGMENT FOR INDIVIDUAL		
This instrument was acknowledged to me on this 24th day of June , 2008, by Dale A. Smith and Samantha A. Smith.				
My commission expires: 3/6///		Notary Public		

GRAND MESA OPERATING COMPANY DALE LEASE SE.1/4. SECTION 34, T12S, R32W LOGAN COUNTY, KANSAS





Controlling data is passed upon the past maps and photographs available to us and upon a requior section of land containing 640 acres.

^{*}Abbrowleds section lines were untermined using the mormal atonderd of core of olifield surveyors protitions in the sold of Konsos. The saction corrects which extendism the precise section lines are provided to the sold of the saction section of the section in the section in the section is the section of the section of the section section in the section is the section of the section is the section of the section is the section in the section is the section of the section is the section of the section is the section of the sec