

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: | |
|-----------------|--------|--|
| Effective Date: | | |
| District # | | |
| SGA? | Yes No | |

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1055513

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

| • | Surface Owner Notification Act, MUST be submitted with this form. |
|---|--|
| Expected Spud Date: | Spot Description: |
| o.a udy you. | Sec Twp S. R E |
| OPERATOR: License# | feet from N / S Line of Section |
| Name: | 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 #: |
| Phone: | 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): |
| | Ground Surface Elevation:feet MSL |
| Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary | Water well within one-quarter mile: |
| Gas Storage Pool Ext. Air Rotary 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 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? Yes No | Well Farm Pond Other: |
| If Yes, true vertical depth: | DWR Permit #: |
| Bottom Hole Location: | (Note: Apply for Permit with DWR) |
| KCC DKT #: | Will Cores be taken? |
| | If Yes, proposed zone: |
| A E. | EIDAV/IT |
| | FIDAVIT |
| The undersigned hereby affirms that the drilling, completion and eventual plu | agging of this well will comply with K.S.A. 55 et. seq. |
| It is agreed that the following minimum requirements will be met: | |
| Notify the appropriate district office <i>prior</i> to spudding of well; | |
| 2. A copy of the approved notice of intent to drill shall be posted on each | 9 0, |
| The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into th | |
| 4. If the well is dry hole, an agreement between the operator and the dis | |
| 5. The appropriate district office will be notified before well is either plugg | , |
| 6. If an ALTERNATE II COMPLETION, production pipe shall be cemente | d from below any usable water to surface within 120 DAYS of spud date. |
| • | 133,891-C, which applies to the KCC District 3 area, alternate II cementing |
| must be completed within 30 days of the spud date or the well shall be | e plugged. In all cases, NOTIFY district office prior to any cementing. |
| | |
| | |
| ubmitted Electronically | |
| For KCC Use ONLY | Remember to: |
| For KCC Use ONLY | - File Certification of Compliance with the Kansas Surface Owner Notification |
| API # 15 | Act (KSONA-1) with Intent to Drill; |
| Conductor pipe requiredfeet | - File Drill Pit Application (form CDP-1) with Intent to Drill; |
| Minimum surface pipe requiredfeet per ALT. | - 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; |
| Approved by: | - Notify appropriate district office 46 flours prior to workover of re-entry, - Submit plugging report (CP-4) after plugging is completed (within 60 days); |
| This authorization expires: | |
| (This authorization void if drilling not started within 12 months of approval date.) | Obtain written approval before disposing or injecting salt water. |

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

Spud date: _

Side Two



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

Operator: __

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.

Location of Well: County: __

| la Castian. Danular as Dissandar |
|---|
| Is Section: Regular or Irregular |
| If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW |
| PLAT |
| rest lease or unit boundary line. Show the predicted locations of as required by the Kansas Surface Owner Notice Act (House Bill 2032). |
| h a separate plat if desired. |
| LEGEND |
| · ········ O Well Location |
| Tank Battery Location Pipeline Location |
| Electric Line Location |
| Lease Road Location |
| <u></u> |
| EXAMPLE : |
| |
| |
| |
| 1980' FSL |
| |
| 440 ft. |
| 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.
- 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).

440 ft.

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

055513

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 Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) | 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 | |
| Is the pit located in a Sensitive Ground Water A | rea? Yes | No | Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) | |
| Is the bottom below ground level? | Artificial Liner? | No | How is the pit lined if a plastic liner is not used? | |
| Pit dimensions (all but working pits): | Length (fee | et) | Width (feet) N/A: Steel Pits | |
| Depth fro | om ground level to dee | epest point: | (feet) No Pit | |
| Distance to peacest water well within one mile of | of nit- | Donth to challe | west fresh waterfeet. | |
| Distance to nearest water well within one-mile of pit: | | Source of inform | nation: | |
| feet Depth of water well | feet | measured | well owner electric log KDWR | |
| Emergency, Settling and Burn Pits ONLY: Producing Formation: Number of producing wells on lease: Barrels of fluid produced daily: | | Type of materia | ver and Haul-Off Pits ONLY: I utilized in drilling/workover: xing pits to be utilized: procedure: | |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No | | · | e closed within 365 days of spud date. | |
| Submitted Electronically | | | | |
| KCC OFFICE USE ONLY | | | | |
| Date Received: Permit Numl | ber: | Permi | t Date: Lease Inspection: Yes No | |



Kansas Corporation Commission Oil & Gas Conservation Division

1055513

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:+ | 3 · · · · · · · · · · · · · · · · · · · | | |
| Contact Person: | the lease below: | | |
| Phone: () Fax: () | | | |
| Email Address: | | | |
| Surface Owner Information: | | | |
| Name: 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 | | | |

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

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

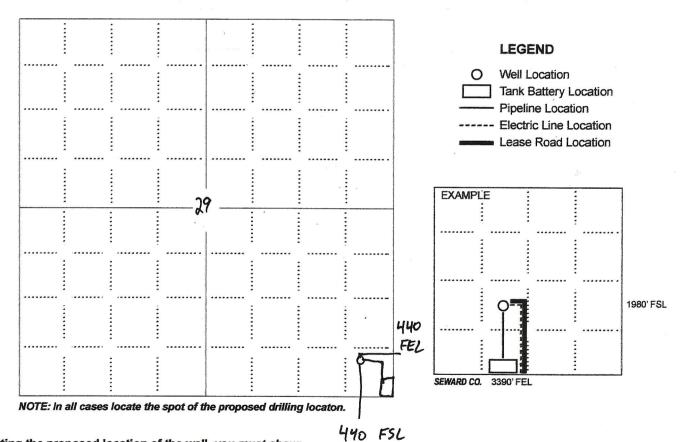
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

| Operator: D & Z Exploration | Location of Well: County: Johnson |
|--|--|
| Lease: Sugar Ridge Farms | 440 feet from N / X S Line of Section |
| Well Number: # I-1 | |
| Field: Gardner South | Sec. 29 Twp. 14 S. R. 22 X E W |
| Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage: NW _ SE _ SE _ SE | 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.



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).
- 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.

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



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner

July 12, 2011

Zane Belden
D & Z Exploration, Inc.
901 N Elm St.
PO BOX 159
ST ELMO, IL 62458

Re: Drilling Pit Application Sugar Ridge Farms # I-1 SE/4 Sec.29-14S-22E Johnson County, Kansas

Dear Zane Belden:

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 as soon as practical after drilling operations have ceased.

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) 432-2300 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR 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) 432-2300.

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Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner

NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.