

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 yea	Sec. Twp. S. R E \
OPERATOR: License#		(0/0/0/0) feet from N / S Line of Section
		foot from F / W Line of Socie
		LOSOTION D. L. D. L. O.
	State: Zip: + .	
Contact Person:		Lease Name: Well #:
Phone:		Field Name:
CONTRACTOR: License#	#	
Name:		Target Formation(s):
14/ 11 5 111 1 5	W # 01	Negroot League or unit boundary line (in feetage):
Well Drilled For:	Well Class: Type Equipme	Ground Surface Elevation:feet MS
Oil Enh		Water well within one-quarter mile:
Gas Stora		Public water supply well within one mile:
Disp		Depth to bottom of fresh water:
Seismic ;#		Depth to bottom of usable water:
Other:		Surface Pipe by Alternate: I II
If OWWO: old wel	Il information as follows:	Length of Surface Pipe Planned to be set:
_		
•		D. L. IT. I.D. d
	Pate: Original Total Depth:	
Original Completion D	ate Original Total Deptil	Water Source for Drilling Operations:
Directional, Deviated or He	orizontal wellbore?	/es No Well Farm Pond Other:
If Yes, true vertical depth:		
Bottom Hole Location:		(Note: Apply for Permit with DWR)
KCC DKT #:		
		If Yes, proposed zone:
		A FEID AVIIT
The undersianed hereby	office that the deiling completion and	AFFIDAVIT
	• •	eventual plugging of this well will comply with K.S.A. 55 et. seq.
_	wing minimum requirements will be met:	
	iate district office <i>prior</i> to spudding of w	
17 11	roved notice of intent to drill shall be pos	sted on each drilling rig; shall be set by circulating cement to the top; in all cases surface pipe shall be set
	solidated materials plus a minimum of 20	, , , , , , , , , , , , , , , , , , , ,
_	•	and the district office on plug length and placement is necessary <i>prior to plugging</i> ;
		either plugged or production casing is cemented in;
		be cemented from below any usable water to surface within 120 DAYS of spud date.
		sing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing well shall be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
must be complete	a within 30 days of the spud date of the	well shall be plugged. In all cases, NOTIFT district office prior to any centerting.
uhmitted Flectro	nically	
ubmitted Electro	nically	- Remarks at the
ubmitted Electro	nically	Remember to:
For KCC Use ONLY		- File Certification of Compliance with the Kansas Surface Owner Notification
For KCC Use ONLY API # 15 -	·	- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
For KCC Use ONLY API # 15 Conductor pipe required	feet	 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;
For KCC Use ONLY API # 15 Conductor pipe required	·	- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
For KCC Use ONLY API # 15 Conductor pipe required Minimum surface pipe re	feet	- 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;
API # 15 Conductor pipe required Minimum surface pipe re	feet equiredfeet per ALT. [- 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);
For KCC Use ONLY API # 15 Conductor pipe required Minimum surface pipe re Approved by: This authorization expire	feet equiredfeet per ALT. [- 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);

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

Spud date: _

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.

erator:						_ LO	cation of vi	/eii: Cour	าty:				
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I Number:									fe	eet from	E /	W Line	of Section
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	·	·	· 		· 		· 						
	:	:	:		:				SEWARD CO	. 3390' FEL			

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

56223 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)	Pit is: Proposed If Existing, date continued in the pit capacity:	Existing nstructed: (bbls)	SecTwp R East WestFeet from North / South Line of SectionFeet from East / West Line of Section County				
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				
If the pit is lined give a brief description of the li material, thickness and installation procedure.	om ground level to dee	Describe proce	dures for periodic maintenance and determining any special monitoring.				
Distance to nearest water well within one-mile of	of pit:	Depth to shallowest fresh water feet. Source of information:					
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: Does the slope from the tank battery allow all s flow into the pit? Yes No Submitted Electronically		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Number of working pits to be utilized: Abandonment procedure: Drill pits must be closed within 365 days of spud date.					
	KCC OFFICE USE ONLY						
Date Received: Permit Num	ber:		Liner Steel Pit RFAC RFAS t Date: Lease Inspection: Yes No				



Kansas Corporation Commission Oil & Gas Conservation Division

1056223

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 (C	Cathodic Protection Borehole Intent)					
OPERATOR: License #	Well Location:					
Name:	SecTwpS. R East West					
Address 1:						
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 county, and in the real estate property tax records of the county treasurer.					
Address 2:						
City: State: Zip:+						
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and 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 Adowner(s) of the land upon which the subject well is or will be lo CP-1 that I am filing in connection with this form; 2) if the form b form; and 3) my operator name, address, phone number, fax, are	ct (House Bill 2032), I have provided the following to the surface potential: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address. 1) cknowledge that, because I have not provided this information, the					
KCC will be required to send this information to the surface ow	ner(s). To mitigate the additional cost of the KCC performing this fee, payable to the KCC, which is enclosed with this form.					
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-1	fee with this form. If the fee is not received with this form, the KSONA-1 1 will be returned.					
Submitted Electronically						

For KCC Use ONLY
API # 15

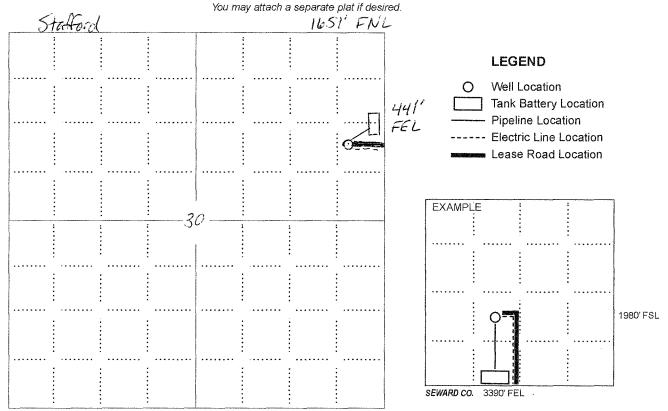
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: Caerus Kansas, LLC	Location of Well: County: Stafford				
Lease: Waters	1,651	feet from N / S Line of Section			
Well Number: 30-42	441	_ feet from X N / S Line of Section _ feet from X E / W Line of Section			
Field: Satterlee	Sec. 30 Twp. 24	S. R. 14 E 🔀 W			
Number of Acres attributable to well: 160 QTR/QTR/QTR/QTR of acreage: SW - NE - SE - NE	Is Section: Regular or	Irregular			
	If Section is Irregular, locate Section corner used: X NE	well from nearest corner boundary.			

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).



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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/

Thomas E. Wright, Chairman Ward Loyd, Commissioner Corporation Commission

Sam Brownback, Governor

May 26, 2011

Brian Karlin Caerus Kansas LLC P.O. Box 1378 Hays, Kansas 67601-8378

Re: Drilling Pit Application Waters 30-42 NE/4 Sec.30-24S-14W Stafford County, Kansas

Dear Brian Karlin:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours 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) 225-8888 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) 225-8888.