



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

KANSAS CORPORATION COMMISSION 1058157
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

Must be approved by KCC five (5) days prior to commencing well

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: month day year

Spot Description:

OPERATOR: License#
Name:
Address 1:
Address 2:
City: State: Zip:
Contact Person:
Phone:

Sec. Twp. S. R. E W
feet from N S Line of Section
feet from E W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License#
Name:

County:

Lease Name: Well #:

Field Name:

Is this a Prorated / Spaced Field? Yes No

Target Formation(s):

Well Drilled For: Well Class: Type Equipment:
Oil Gas Enh Rec Storage Disposal Seismic; # of Holes Other:
Infield Pool Ext. Wildcat Other
Mud Rotary Air Rotary Cable
If OWVO: old well information as follows:

Nearest Lease or unit boundary line (in footage):

Ground Surface Elevation: feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set:

Length of Conductor Pipe (if any):

Projected Total Depth:

Formation at Total Depth:

Water Source for Drilling Operations:

Well Farm Pond Other:

DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone:

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:
1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 DAYS of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #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 plugged. In all cases, NOTIFY district office prior to any cementing.

Submitted Electronically

For KCC Use ONLY
API # 15 -
Conductor pipe required feet
Minimum surface pipe required feet per ALT. I II
Approved by:
This authorization expires:
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: Agent:

Remember to:
- 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);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration 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:



1058157

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: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

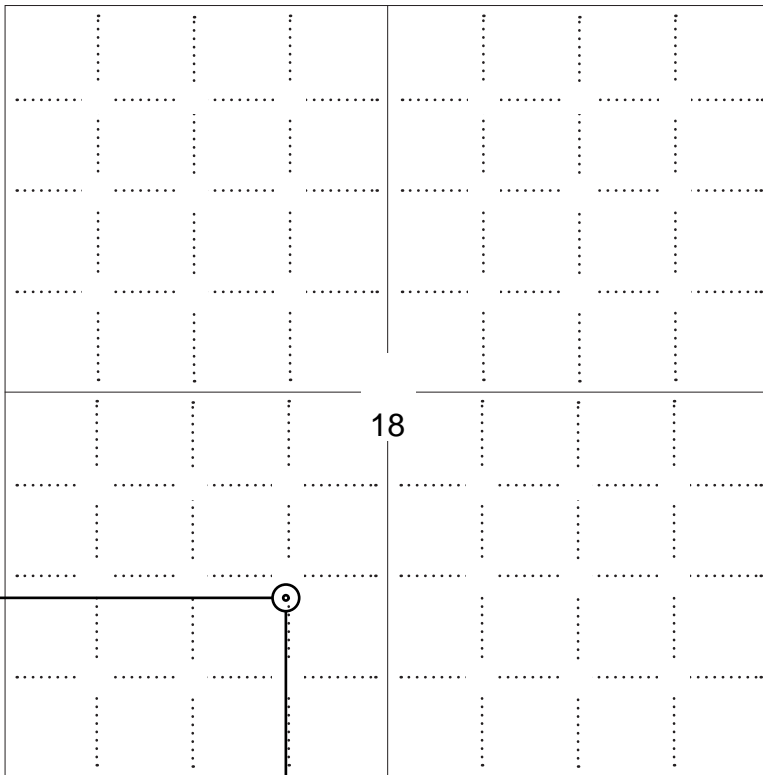
Is Section: Regular or Irregular

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.



1930 ft.

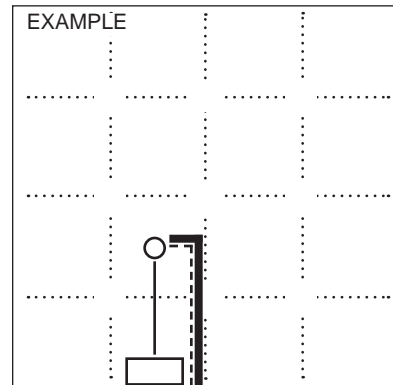
18

1230 ft.

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

LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



SEWARD CO. 3390' FEL

1980' FSL

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.



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: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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 spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		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.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



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 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location: _____
_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional 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.

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.

I Submitted Electronically

PHILLIPS EXPLORATION COMPANY, LC
HERMAN FARMS/MODEN LEASE
SW.1/4, SECTION 18, T11S, R23W
TREGO COUNTY, KANSAS

NO

ROAD (C ROAD)

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at E. line, E.1/2 of N. line and in NW.1/4, Sec.18.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec.18.
6. Section 18 is irregular.
7. Contact landowner for best access.
8. Location fell 75' SW. of a NW-SE fence, no alternate set.

ROAD

ROAD

NO

(240 ROAD)

DIRT

18

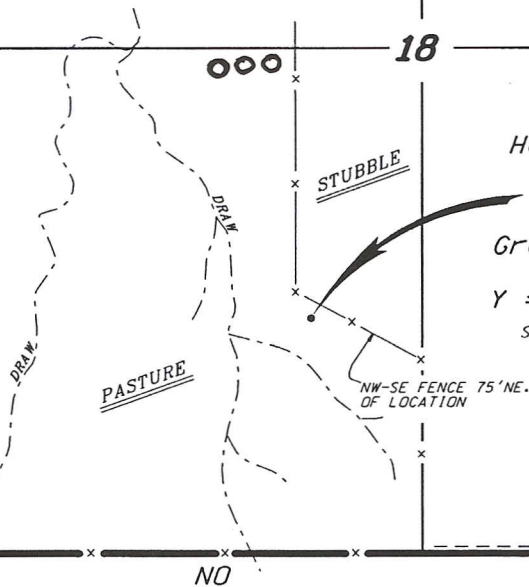
Drillsite Location
Herman Farms/Moden #1

1230' FSL 1930' FWL

Ground Elevation = 2367

Y = 281867 X = 1455519

State Plane-NAD 27-Kansas North
(Mapping Grade GPS Used)



* Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



DECLARATION of POOLING and UNITIZATION

THIS Declaration of Pooling and Unitization (the "Declaration") is made by PHILLIPS EXPLORATION COMPANY, L.C. ("Phillips Exploration").

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, Phillips Exploration is the owner of the following described Oil and Gas Leases covering lands located in Trego County, Kansas, to-wit:

Dated: March 23, 2011
Lessor: Frances W. Hilyard as Trustee of the Frances W. Hilyard Revocable Trust dated March 15, 1994
Lessee: Phillips Exploration Company, Inc.
Recorded: Book 170, Page 155
Land: Township 11 South, Range 23 West
Section 18: A tract of land in the W/2, more particularly described on Exhibit "A" attached hereto.

Dated: March 9, 2011
Lessors: Eric Moden and Juli A. Moden, husband and wife
Lessee: Phillips Exploration Company L.C.
Recorded: Book 170, Page 162
Land: Township 11 South, Range 23 West
Section 18: A tract of land in the W/2, more particularly described on Exhibit "A" attached hereto.

Dated: June 21, 2010
Lessor: Richard Herman Farms, Inc.
Lessee: Phillips Exploration Company, LC
Recorded: Book 163, Page 128
Land: Township 11 South, Range 23 West
Section 18: A tract of land in the W/2, more particularly described on Exhibit "B" attached hereto.

(individually and collectively the "Oil and Gas Leases"); and

WHEREAS, under the provisions of the Oil and Gas Leases, Phillips Exploration has the option, right and power to pool and consolidate all or a portion of the lands covered by said Oil and Gas Leases so as to create a consolidated oil leasehold estate and operating unit consisting of the combined unit area described herein; and

WHEREAS, Phillips Exploration has determined that it is necessary or advisable to pool or combine portions of the acreage covered by said Oil and Gas Leases to create a unit for the production of oil to promote conservation of oil in and under and that may be produced from the unitized premises, upon the terms and conditions hereinafter provided, and as provided in said Oil and Gas Leases; and

WHEREAS, Phillips Exploration does now desire to exercise said right and power granted by the Oil and Gas Leases and to give notice of its exercise of said right and power by the filing of record this written designation of such oil unit together with a description of the oil production unit so created.

NOW THEREFORE, in consideration of the premises, the execution of this Declaration and the mutual covenants herein to be performed, and other good and valuable consideration, Phillips Exploration executes this instrument as a formal declaration that each of the Oil and Gas Leases, as to the respective lands located within the oil production unit described below, as to the royalties payable thereunder, and as to all oil produced therefrom, including casinghead gas, are and shall be hereby combined and pooled so as to create one consolidated oil leasehold estate and operating unit consisting of the following lands, to-wit:

Township 11 South, Range 23 West
Section 18: S/2 NE/4 SW/4 & N/2 SE/4 SW/4

containing 40 acres, more or less, to the same extent as if said oil leasehold estates had originally been included in one oil and gas lease, which area shall include within the same all lands covered by the above described Oil and Gas Leases insofar and only insofar as the same are included within the above described gas unit.

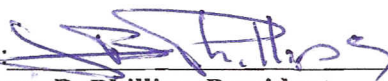
Phillips Exploration does hereby state that drilling operations for oil and the production of oil on any part of the oil unit shall be treated as if such drilling operations were had or such oil production was obtained from land described in each of said Oil and Gas Leases, regardless of where the oil well or wells may be located upon said oil unit. The entire acreage contained in said oil unit shall be treated for all purposes, except the payment of royalties on such production of oil from said gas unit, as if said lands were included in each of the said Oil and Gas Leases. In lieu of the oil royalty set forth in said Oil and Gas Leases, and pursuant to the terms of the unitization clause in each said lease, each respective lessor shall receive on oil production, only such portion of the royalty stipulated in the pertinent Oil and Gas Leases, as the amount of lessor's surface acreage contained in his/her oil and gas lease placed in the oil unit bears to the amount of the total surface acreage of the entire pooled area. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interests pooled pursuant hereto.

Phillips Exploration further states that in the event that any one of the above described Oil and Gas Leases shall terminate for any reason, that upon the termination of any such Oil and Gas Lease, the oil unit formed herein shall cease and terminate only as to the acreage contributed by the Oil and Gas Lease so terminated, but shall otherwise remain in full force and effect.

THIS Declaration and the terms and conditions hereof shall be deemed to be a covenant running with the lands and leases contained in the oil unit herein created and shall extend to and be binding upon all persons having any right, title or interests of any kind or character in and to the above described Oil and Gas Leases, including Lessors' rights thereunder, and their respective heirs, successors and assigns.

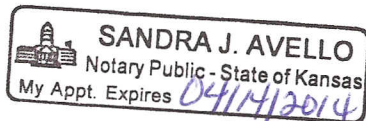
IN WITNESS WHEREOF, Phillips Exploration has hereunto caused this declaration to be executed and to be effective as of June 21, 2011.

PHILLIPS EXPLORATION COMPANY, L.C.

By: 
James B. Phillips, President

STATE OF KANSAS)
) ss:
COUNTY OF SEDGWICK)

This instrument was acknowledged before me on June 21, 2011, by James B. Phillips as President of Phillips Exploration Company, L.C., on behalf of said limited liability company.



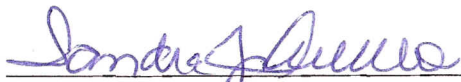

Notary Public
My commission expires:

EXHIBIT A

A tract of land in Sec. 18, Twp. 11, Range 23, Trego County, KS more particularly described as follows:

A tract of land in the $W\frac{1}{2}$ of Sec. 18, Twp. 11, Range 23, Trego Co., described as follows:

Beginning at a point 20.0 ft. West of the NE corner of Sec. 18, Twp. 11, Range 23, thence South 88° and 42 minutes West on the North section line of said Sec. 18 a distance of 1436.80 feet, thence South 8° and 31 minutes East a distance of 580.68 feet, thence South 85° and 20 minutes West a distance of 476.42 feet, thence North 0° and 31 minutes East a distance of 604.31 feet, thence South 88° and 42 minutes West a distance of 799.80 feet to the North one quarter corner of said Sec. 18 thence South 80° and 42 minutes West a distance of 643.95 feet, thence South 4° and 44 minutes West a distance of 717.25 feet, thence South 0° and 43 minutes West a distance of 534.19 feet, thence South 0° and 39 minutes East a distance of 2050.35 feet, thence South 0° and 9 minutes West a distance of 358.06 feet, thence South 34° and 59 minutes East a distance of 492.10 feet, thence South 60° and 32 minutes East a distance of 423.08 feet, thence South 20° and 45 minutes East, a distance of 218.81 feet, thence South 2° and 12 minutes West a distance of 770.07 feet, to a point on the South section line of said Sec. 18, a distance of 27.5 feet East of South one quarter corner of said Sec. 18, thence North 88° and 59 minutes East, a distance of 2592.50 feet, to a point 20.0 feet West of SE corner of said Sec. 18, thence North 0° and 00 minutes East on a line parallel with the East section line of said Sec. 18 a distance of 263.43 feet, thence North 88° and 57 minutes West, a distance of 503.10 feet, thence North 31° and 28 minutes West, a distance of 156.88 feet, thence North 10° and 13 minutes West a distance of 290.58 feet, thence North 7° and 16 minutes East a distance of 170.71 feet, thence North 49° and 45 minutes East a distance of 317.23 feet, thence North 10° and 28 minutes West a distance of 363.15 feet, thence North 33° and 09 minutes East a distance of 518.08 feet, thence North 1° and 30 minutes East a distance of 282.76 feet, thence North 34° and 57 minutes East a distance of 272.38 feet, thence North 0° and 00 minutes East on a line 20.0 feet West of East line of said Sec. 18, a distance of 1003.10 feet, thence North 89° and 17 minutes West a distance of 224.42 feet, thence North 0° and 51 minutes West a distance of 275.74 feet, thence North 51° and 24 minutes East a distance of 292.17 feet, thence North 0° and 00 minutes on a line 20.0 feet West of East line of said Sec. 18, a distance of 156.50 feet, thence North 29° and 48 minutes West a distance of 167.72 feet, thence North 28° and 40 minutes East a distance of 173.76 feet, thence North 0° and 00 minutes a distance of 1078.25 feet to the point of beginning, containing 354.94 acres, more or less

Attached to and made a part of that certain oil and gas lease dated June 21, 2010, by and between Richard Herman Farms, Inc., Lessor, and Phillips Exploration Company, L.C., Lessee.

West Half (W/2) of Section 18-11S-23W except the following tract, to-wit:

Beginning at a point 20.0 feet West of the NE corner of Sec. 18; thence South 88 degrees and 42 minutes West on the North section line of said Section 18 a distance of 1436.80 feet; thence South 8 degrees and 31 minutes East a distance of 580.68 feet; thence South 85 degrees and 20 minutes West a distance of 476.42 feet; thence North 0 degrees and 31 minutes East a distance of 604.31 feet; thence South 88 degrees and 42 minutes West a distance of 799.80 feet to the North quarter corner of said Sec. 18; thence South 80 degrees and 42 minutes West a distance of 643.95 feet; thence South 4 degrees and 44 minutes West a distance of 717.25 feet; thence South 0 degrees and 43 minutes West a distance of 534.19 feet; thence South 0 degrees and 39 minutes East a distance of 2050.35 feet; thence South 0 degrees and 9 minutes West a distance of 358.06 feet; thence South 34 degrees and 59 minutes East a distance of 492.10 feet; thence South 28 degrees and 28 minutes East a distance of 423.08 feet; thence South 20 degrees and 45 minutes East; thence South 2 degrees and 12 minutes West a distance of 770.07 feet; to a point on the South section line of said Section 18, a distance of 27.5 feet East of South quarter corner of said Section 18; thence North 88 degrees and 59 minutes East, a distance of 2592.50 feet to a point 20.0 feet West of SE corner of said Section 18, thence North 0 degrees and 00 minutes East on a line parallel with the East section line of said Section 18 a distance of 263.43 feet; thence North 88 degrees and 57 minutes West, a distance of 503.10 feet; thence North 31 degrees and 28 minutes West, a distance of 156.88 feet; thence North 10 degrees and 13 minutes a distance of 290.58 feet; thence North 7 degrees and 16 minutes East a distance of 170.71 feet; thence North 49 degrees and 45 minutes East a distance of 317.23 feet; thence North 10 degrees and 28 minutes West a distance of 363.15 feet; thence North 33 degrees and 09 minutes East a distance of 518.08 feet; thence North 1 degree and 30 minutes East a distance of 282.76 feet; thence North 34 degrees and 57 minutes East a distance of 272.38 feet; thence North 0 degrees and 00 minutes East on a line 20.0 feet West of East line of said Section 18, a distance of 1003.10 feet; thence North 89 degrees and 17 minutes West, a distance of 224.42 feet; thence North 0 degrees and 51 minutes West a distance of 275.74 feet; thence North 51 degrees and 24 minutes East a distance of 292.17 feet; thence North 0 degrees and 00 minutes on line 20.0 feet West of East line of said Section 18, a distance of 156.50 feet; thence North 29 degrees and 48 minutes West a distance of 167.72 feet; thence North 28 degrees and 40 minutes East a distance of 173.76 feet; thence North 0 degrees and 00 minutes a distance of 1078.25 feet to the point of beginning.

STATE OF KANSAS
COUNTY OF TREGO SS
THIS INSTRUMENT WAS FILED FOR RECORD
THIS 1st DAY OF July, 2010 AT
9:00 AM AND RECORDED IN BOOK 163
OF RECORDS AT PAGE 128 FEE \$ 16.00

Evea M Rumpel
Evea M. Rumpel, REGISTER OF DEEDS



EXHIBIT # B