



1065336

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

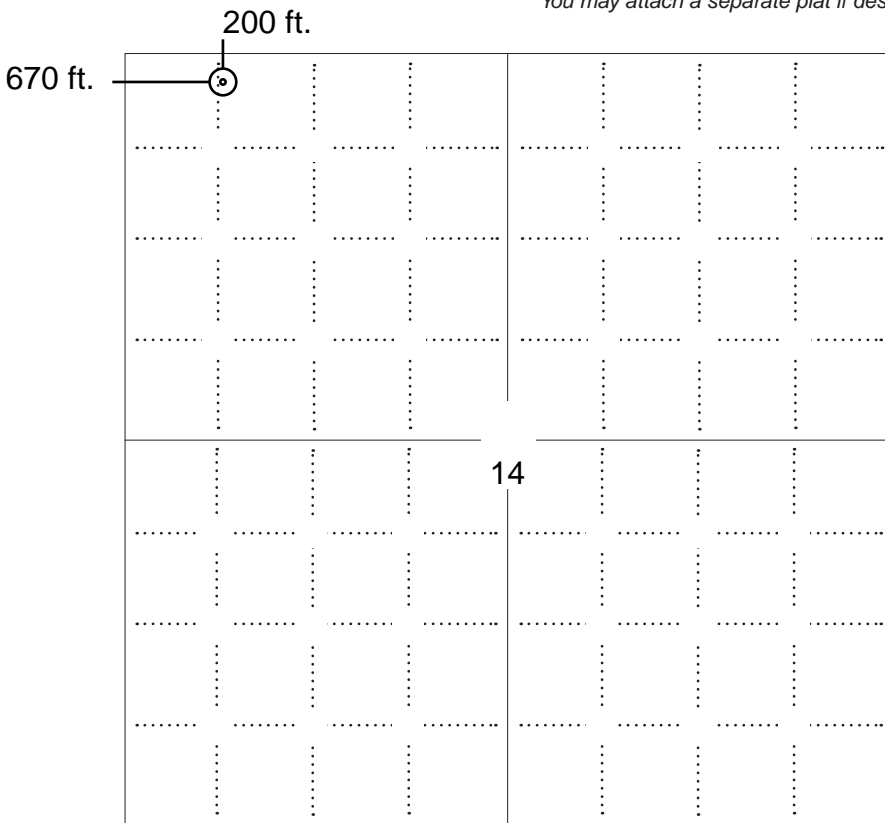
Is Section: Regular or Irregular

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.



LEGEND

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



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 1065336
OIL & GAS CONSERVATION DIVISION

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: <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			
Date Received: _____		Permit Number: _____	
Permit Date: _____		Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	



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.

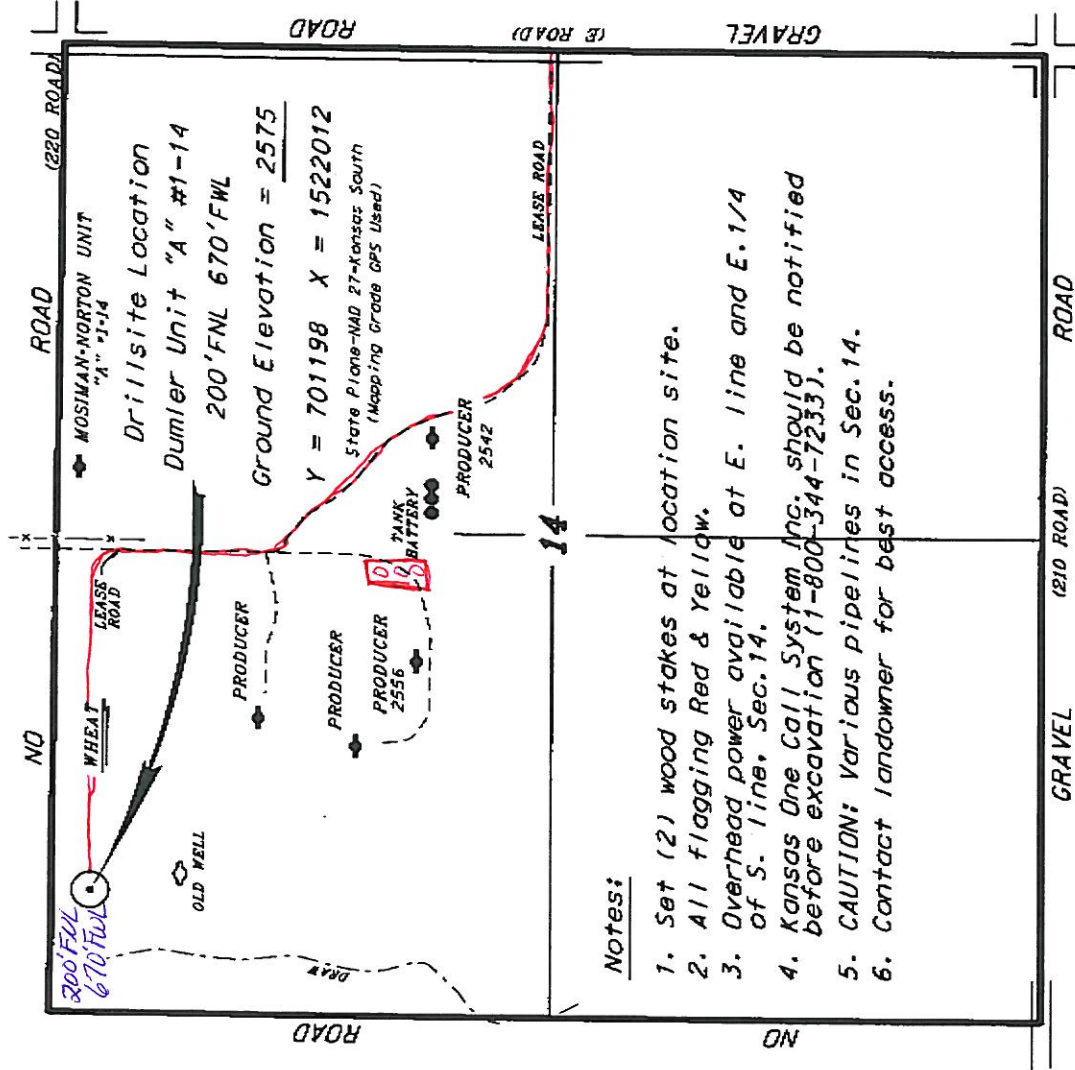
Select one of the following:

- 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

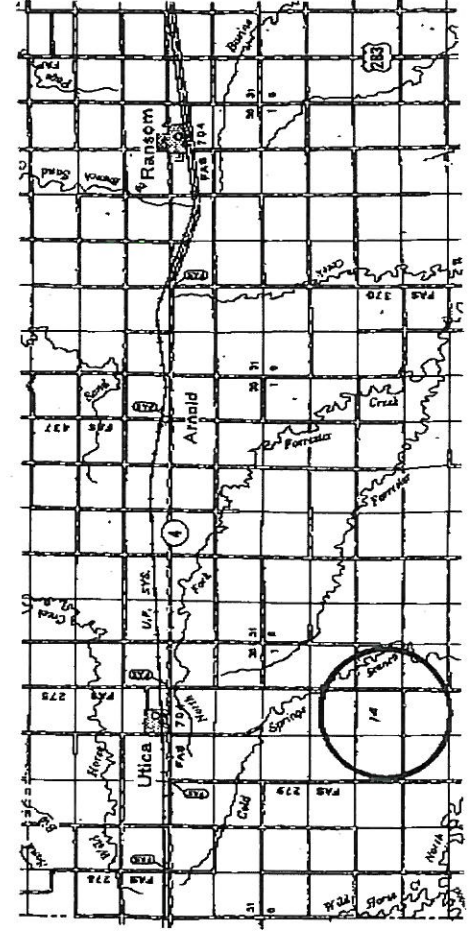
TRANS PACIFIC OIL CORPORATION
 DUMLER LEASE
 NW. 1/4, SECTION 14, T17S, R26W
 NESS COUNTY, KANSAS



*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.

Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at E. line and E.1/4 of S. line, Sec.14.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.14.
6. Contact landowner for best access.



* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 * Approximate section lines were determined using the corner monuments of some of adjacent surveys practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drilled location in the section is therefore not guaranteed. The owner of the land is advised that the location of the well is not guaranteed. The owner of the land is advised that the location of the well is not guaranteed. The owner of the land is advised that the location of the well is not guaranteed.

* Elevations derived from National Geodetic Vertical Datum.

Date: October 13, 2011

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

UNIT AGREEMENT

THIS UNIT AGREEMENT IS MADE AND ENTERED this 28th day of September, 2011, by **Palomino Petroleum Inc.**, as Non-operating Lessee, and **Trans Pacific Oil Corporation**, as Operating Lessee.

WITNESSETH:

In consideration of the premises, and the mutual benefits, covenants and promises herein contained, the parties agree and are bound as follows:

1. The parties hereby agree as owners of the leases as described on attached Exhibit "A", that for the purposes of drilling, development and production of oil and/or gas, and division of royalties of oil and/or gas, including shut-in gas royalties and insofar and only insofar as said leases cover the following lands in Section 11 & 14, Township 17 South, Range 26 West, Ness County, Kansas:

South-Half of the Southwest Quarter of the Southwest Quarter
(S/2SW/4SW/4) of Section 11 and

North-Half of the Northwest Quarter of the of the Northwest
Quarter (N/2NW/4NW/4) of Section 14

containing 40 acres, more or less (designated as the "consolidated area"), shall be and remain a single unit, and shall be developed and operated as a unitized and consolidated area and leasehold estate, to the same extent as if said oil and gas leasehold estates had originally been included in one oil and gas lease, which pooled and combined area is hereby designated as the **Dumler A Unit #1-14**. The parties further hereby state that, for purposes of the extension of the terms of the oil and gas leases described in Exhibit "A", drilling operations for oil and/or gas and production of oil and/or gas on any part of the **Dumler A Unit #1-14** shall be treated as if such drilling operations were commenced or such oil and/or gas production was obtained from land described in each of said leases, regardless of where the oil and/or gas well or wells may be located upon said **Dumler A Unit #1-14**. In lieu of the royalties specified in each oil and gas lease, the pertinent lessor shall receive, on production from the **Dumler A Unit #1-14**, only such portion of the royalty stipulated in said oil and gas lease as the amount of said lessor's acreage placed in the unit or said lessor's royalty interest therein, on an acreage basis, bears to the total acreage so pooled in the consolidated area.

2. The parties agree that should a test well be drilled by Operating Lessee upon the consolidated area; the cost of the drilling and completion of said well shall be shared equally by the parties. In the event that a well is completed on the consolidated area, then Operating Lessee shall operate the well as operator, and Non-operating Lessee shall participate in said well as non-operator, pursuant to the operating agreement dated January 1, 2009, by the parties ("Operating Agreement"), which shall reference and incorporate therein the terms of this Unit Agreement and which will designate as the Contract Area only the unitized area as described above. It is understood that, through drilling and completion as a producing well the Non-operating Lessee shall be billed directly from the Operating Lessee, and it is the obligation of the Non-operating Lessee to further bill its assigns, if any, and that the Non-operating Lessee shall be liable for any late payments stemming from its own, or its assigned interests; however, all costs after completion of the initial well on the unit area described above shall be billed individually to all working interest owners of leases in the unit area. The Non-operating Lessee also agrees to allow the Operating Lessee to designate the location of any roads, pipe lines and tank batteries that may be used in the production of any completed well. To the extent that any term of the Operating Agreement conflicts with this Unit Agreement, the terms of this Unit Agreement shall prevail.

3. The parties acknowledge and agree that the leases set forth in Exhibit "A" shall remain the separate property of the parties hereto; nothing herein shall result in any cross-conveyance of the leasehold interests owned by the parties in the leases described in Exhibit "A". Each party may (without the necessity of obtaining the consent of the other party) drill, complete, produce and operate additional wells on the non-consolidated acreage covered by its separate

lease, provided that such wells are located no closer than 330 feet to the boundary of the consolidated area or to the boundary of the separate lease owned by the other party.

4. All proceeds from the sales of oil and gas herein shall be apportioned between the oil and gas leases described in Exhibit "A" in equal shares. The parties shall mutually agree to and cause to be executed a division order or orders by which the interest of owners of any interest (royalty interest or otherwise) in the consolidated area will be set out and paid by its purchaser(s).

5. This agreement, and all of the provisions thereof, shall be and constitute covenants running with the land and shall bind and inure to the benefit of the heirs, successors and assigns of the respective parties.

6. This agreement and the rights of the parties herein shall be and remain in full force and effect so long as any well in the consolidated area is being operated and developed for oil and gas purposes. This Unit Agreement and the consolidated area shall not be affected by the expiration of the primary terms of said leases, or either of them.

7. This Unit Agreement and Operating Agreement dated January 1, 2009, constitute the entire agreement between the parties, superceding any other agreement between the parties as to the matters contained herein; this Unit Agreement shall be amended only by an Amendment, in writing, signed by both parties.

IN WITNESS WHEREOF, the parties have heretofore set their hands and seals as of the day and year first above written.

Non-Operating Lessee
Palomino Petroleum, Inc.

by: 
Klee R. Watchous, President

Operating Lessee
Trans Pacific Oil Corporation

by: 
Alan D. Banta, President

ACKNOWLEDGEMENTS

STATE OF KANSAS)
)
COUNTY OF HARVEY) ss:

BE IT REMEMBERED that on this 29th day of September, 2011, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Klee R. Watchous, President of Palomino Petroleum, Inc., a corporation of the State of Kansas, to me personally known to be such officer and to be the same person who executed as such officer the foregoing instrument of writing on behalf of said corporation, and acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.



Notary Public Julie House

My appointment expires: July 16, 2013



STATE OF KANSAS)
)
COUNTY OF SEDGWICK) ss:

BE IT REMEMBERED that on this 28th day of September, 2011, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Alan D. Banta, President of Trans Pacific Oil Corporation, to me personally known to be such officer and to be the same person who executed as such officer the foregoing instrument of writing on behalf of said corporation, and acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.



Notary Public, Cristina M. Hickey-Toedtman

My appointment expires:

1036717
CRISTINA M. HICKEY-TOEDTMANN
NOTARY PUBLIC
STATE OF KANSAS
MY APPT. EXP. ~~7-14-2013~~ 6-14-2013

EXHIBIT "A"

ATTACHED TO THE UNIT AGREEMENT, DATED September 28, 2011, by and between Palomino Petroleum, Inc. and Trans Pacific Oil Corporation,

- A. Lessor: Nadra Ozell Johnson and James P. Johnson, her husband
Lessee: J. Fred Hambricht, Inc.
Description: Insofar and only insofar as said lease covers the Southwest Quarter (SW/4) less and except the South Half of the Southeast Quarter of the Southwest Quarter (S/2 SE/4 SW/4) of Section 11 Township 17 South, Range 26 West, Ness County, Kansas
Date: January 25th, 2006
Book/Page: 300/81
2 Year Extension recorded in Book/Page: 314/166
2 Year Extension recorded in Book/Page: 328/579
- Lessor: Crystal Ann Schmidt and Julie Diane Scott, Co-Executors of the Ardith Ann Davidson Estate
Lessee: Palomino Petroleum, Inc.
Description: Insofar and only insofar as said lease covers the Southwest Quarter (SW/4) less and except the South Half of the Southeast Quarter of the Southwest Quarter (S/2 SE/4 SW/4) of Section 11, Township 17 South, Range 25 West, Ness County, Kansas
Date: December 8, 2009
Book/Page: 329/69
- Overriding Royalty Interests: NONE
- Working Interest: Palomino Petroleum, Inc.
– entire interest (.8203125 NRI)
- B. Lessor: T. B. Dumler and Margaret S. Dumler, his wife
Lessee: Strong's, Inc.
Description: NW/4 of Section 14; and the E/2 NE/4 of Section 15, Township 17 South-Range 26 West, Ness County, Kansas
Date: March 2nd, 1971
Book/Page: Misc. 90/232
- Overriding Royalty Interests: NONE
- Working Interest: Trans Pacific Oil Corporation
– entire interest (.8203125 NRI)