For KCC Use:

Eff	e	ct	iv	е	Date
<b>—</b> ·					

District	#	

SGA?	Yes	No

## KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1070584

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

Form KSONA-1, Certification of Com	pliance with	the Kansas	Surface Owner	Notification Act, MUS	T be submitted with this form

Expected Spud Date:	Spot Description:
month day year	( <u>q/q/q/q</u> ) Sec Twp S. R E [ ] W
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	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:         Oil       Enh Rec       Infield       Mud Rotary         Gas       Storage       Pool Ext.       Air Rotary         Disposal       Wildcat       Cable         Seismic ;       # of Holes       Other         Other:	Nearest Lease or unit boundary line (in footage):
• · · g.· · · · · · · · · · · · · · · · ·	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:

#### **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.

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT. IIIII
Approved by:	
This authorization expires:	arted within 12 months of approval date.)
Spud date: Ag	ent:

#### 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.

ш

Well will not be drilled or Permit Expired Date: \_ Signature of Operator or Agent:

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



For KCC Use ONLY

API # 15 - \_\_\_\_

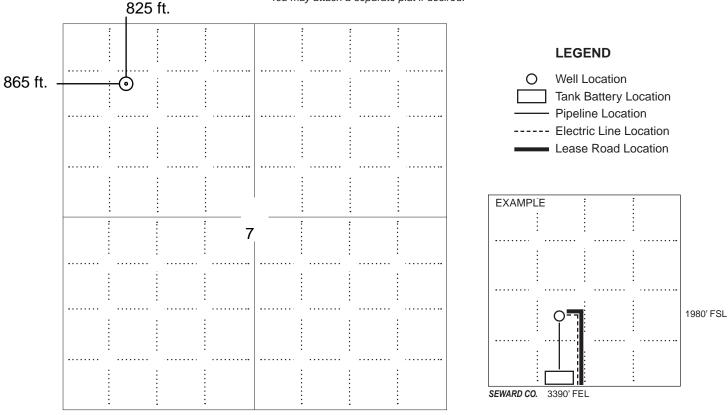
#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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:	Sec Twp S. R E 🗌 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	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.



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).
- 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.

Side Two



KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION** 

1070584

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 Existing If Existing, date constructed: Pit capacity: (bbls)			North / South Line of Section	
Is the pit located in a Sensitive Ground Water A	rea? Yes I	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)		
Is the bottom below ground level?			How is the pit lined if a plastic liner is not used?		
	Length (fee	,	Width (feet)	N/A: Steel Pits	
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	Source of inform		feet.		
feet Depth of water well	measured		lectric log KDWR		
Emergency, Settling and Burn Pits ONLY:			ver and Haul-Off Pits ONLY:		
Producing Formation:		Type of material utilized in drilling/workover:			
Barrels of fluid produced daily:	Abandonment procedure:				
Does the slope from the tank battery allow all spilled fluids to flow into the pit?		Drill pits must be closed within 365 days of spud date.			
Submitted Electronically					
			Liner Stee	Pit RFAC RFAS	

Date Received:

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

Permit Date:

Lease Inspection: Yes No

\_ Permit Number: \_



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

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 #	Well Location:		
Name:			
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City:          Zip:            Contact Person:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:		
Phone: ( ) Fax: ( ) Email Address:			
Surface Owner Information:			
Name:	sheet listing all of the information to the left for each surface owner. Surface		
Address 1:			
Address 2:	county, and in the real estate property tax records of the county treasurer.		
City: State: Zip:+			

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.

### Submitted Electronically

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Side Two	S	ide	Two	Ę.
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API # 15 -

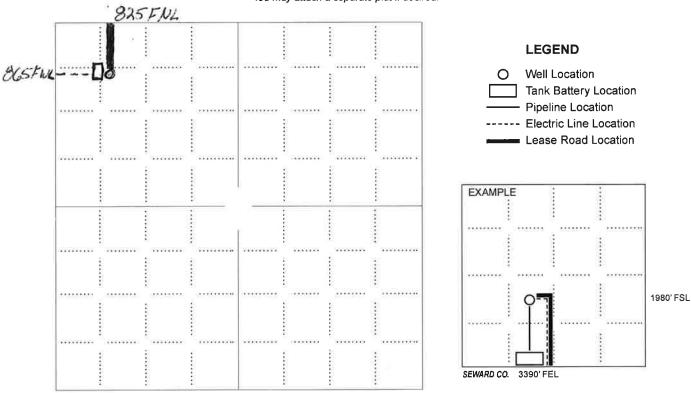
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: Source Energy MidCon, LLC	Location of Well: County: Sumner County
Lease: Homer	825 feet from X N / S Line of Section
Well Number: 7-11 SWD	865 feet from E / X W Line of Section
Field: Sauzek	Sec. 7 Twp. 33 S. R. 2 🛛 E 🔲 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage: NW - SE - NW - NW	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.



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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/

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner Sam Brownback, Governor

## 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.

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

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner Sam Brownback, Governor

January 10, 2012

Jeff Dolan Source Energy Midcon LLC 1805 SHEA CENTER DR., STE 100 HIGHLANDS RANCH, CO 80129

Re: Drilling Pit Application Homer 7-11 SWD NW/4 Sec.07-33S-02E Sumner County, Kansas

Dear Jeff Dolan:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or native clay, 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 after drilling operations have ceased.

# If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> 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 (316) 630-4000 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 (316) 630-4000.

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