For KCC Use:

Eff	e	ct	iv	е	Date	

District	#	

SGA?	Yes	No

Forn

### 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

1072188

### NOTICE OF INTENT TO DRILL

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

Expected Spud Date:	Spot Description:
month     day     year       OPERATOR:     License#	(Q/Q/Q/Q)       -       -       Sec.       Twp.       S. R.       E       W
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side) County:
Phone:	Lease Name: Well #:
CONTRACTOR: License# Name:	Field Name:
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):
Directional, Deviated or Horizontal wellbore?	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:

### **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 n	ot 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:

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



For KCC Use ONLY

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

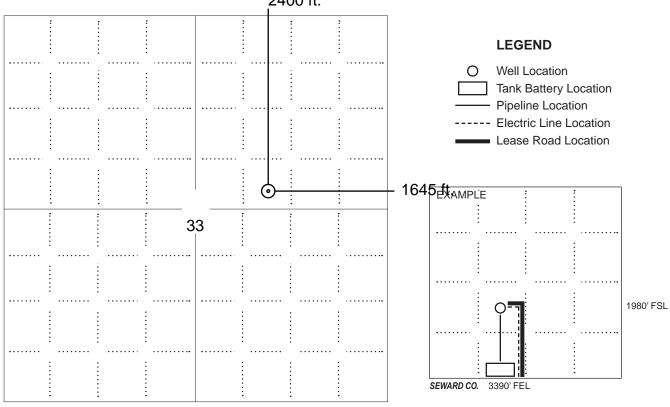
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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. 2400 ft.



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

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:	Pit is:		·		
Emergency Pit Burn Pit	Proposed	Existing	SecTwp R East West		
Settling Pit Drilling Pit	If Existing, date co		Feet from North / South Line of Section		
Workover Pit Haul-Off Pit			Feet from East / West Line of Section		
(If WP Supply API No. or Year Drilled)	Pit capacity:	(bbls)			
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration:	mg/l	
				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):			Width (foot)	N/A: Steel Pits	
	m ground level to dee			N/A. Steer Fits	
If the pit is lined give a brief description of the li	-	Describe proce	dures for periodic maintenance a	and determining	
material, thickness and installation procedure.		liner integrity, in	cluding any special monitoring.		
Distance to nearest water well within one-mile of pit:		Depth to shallo	west fresh water	feet.	
feet Depth of water wellfeet		Source of inforr		electric log	
feet Depth of water wellfeetf			ver and Haul-Off Pits ONLY:		
Producing Formation:		Type of material utilized in drilling/workover:			
Number of producing wells on lease:		Number of working pits to be utilized:			
Barrels of fluid produced daily:		Abandonment procedure:			
Does the slope from the tank battery allow all spilled fluids to		Drill pits must be closed within 365 days of spud date.			
flow into the pit? Yes No					
Submitted Electronically					
KCC OFFICE USE ONLY					
				el Pit RFAC RFAS	
Date Received: Permit Num	ber:	Permi	t Date: Lease	e Inspection: Yes No	

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



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: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:		
Contact Person:			
Phone: ( ) Fax: ( )			
Email Address:			
Surface Owner Information:			
Name:	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		
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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For KCC Use ONLY	
API # 15	

### Side Two

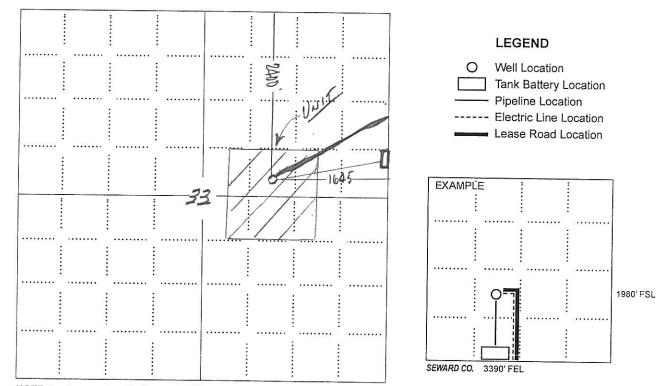
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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: 1100012 11112+ D VILLA	feet from N / S Line of Section
Well Number:	1645 feet from K E / W Line of Section
Field:	Sec. <u>33</u> Twp. <u>18</u> S. R. <u>27</u> E K W
Number of Acres attributable to well:	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.

# **OIL AND GAS** LEASE

AGREEMENT, made and entered into this 24th day of February, 2009 , by and between

Wilbert J. Riebel and Mary Ann Riebel, Trustees of the Wilbert J. Riebel Trust dated March 5, 2008; Mary Ann Riebel and Wilbert J. Riebel, Trustees of the Mary Ann Riebel Trust dated March 5, 2008 whose mailing address is

132 S. Tomahawk Road, Dighton, KS 67839 \_ hereinafter called lessor (whether one or more), and

# Raymond Oil Company, Inc., P.O. Box 48788, Wichita, KS 67201, hereinafter called lessee.

Lessor, in consideration of Ten Dollars (\$ 10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufacture therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in the County of Lane State of Kansas described as follows, to wit:

Township 18 South, Range 27 West Section 33: NE/4

- N In Section XX Township XXXXXX Range XXXXXX and containing aining <u>160.00</u> Acres, more or less, and all accretions thereto. m of <u>Three (3)</u> years from (called "primary term"), and as long as or any form of them is produced from said land or land with which said land Acres, more or less, and all accretions thereto
- ω
- Subject to the provisions herein contained, this lease shall remain in force for a term of <u>Three (3)</u> years from (called "primary term"), and as long as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled.
  a. To deliver to the credit of lessor, free of cost, in the pipeline to which lesse may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
  b. To pay lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.
  This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of these esting the out dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of veats first mentioned.
- 4
- S years If said first mentioned
- If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. Lessee shall have the right to use, free of cost, gas, oil and water produced on the leased premises for lessee's operations thereon, except water from wells of
- 6.

- 7. 8. 9.

- 13. 12.
- lessor.
  7. When requested by the lessor, lessee shall bury lessee's pipelines below plow depth.
  8. No well shall be drilled nearer than 200 feet to a house or bann now on said premises without the written consent of the lessor.
  9. Lessee shall pay for all damages caused by lessee's operations to growing crops on said and.
  10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right of arw and remove casing.
  11. If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to its heirs executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on lessee until after the lessee has been finnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be binding on lessee and thereby surrender this lease as to such portion or portions and be releved of all obligations, of the above described premises and be relived of all obligations of this lease shall be subject to all Federal and Be releved of all obligations, and this lease shall be understored.
  13. All express or implied covenants of this lease shall be understored of all obligations as to the acreage surrendered.
  14. Lessor hereby warrants and agrees to defend the tile to the lands herein described, and agrees that the lesse shall have the right at any time to redeem for lessor, for theirns, successors and assigns, hereby surrender and the subogated to the right of dower and homestead may in any way affect the purposes for which this lease is and the sole of the lands, in the event of default of payment by lessor, and be subogated to the rights of the suborgated to the right as any interpose for which this leases as a right of dower and homestead may in any way affect t 14.
- nerem.
  1. Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises on sto promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts continguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 40 acres each in the corresponce records of the compt in which the land herein lesses is situated an intervent in this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lesses shall receive on production from a unit so pooled only such portion of the cryalty stipulated brein as the amount of his acreage placed in the unit or his lease, or its assigns, will consult with Lessor regarding routes of ingress and egress phor to commencing operations.
  16. Lessee, or its assigns, will solve to orginal condition as nearly as is practicable upon completion of ohe archage basis beast to the total acreage so pooled in the particular unit involved.
  17. Lessee, or its assigns, will restore by this lease are enrolled in the Conservation Reserve Program (CRP) of the U.S. Department of Agriculture, Lessee shall comply with the rules and totherwise contributes of the royalty from Lessee's operations for the solution becomed of the primary term, this lease, for lesses, the same may apply to operations heremeter.
  19. If at the end of the primary term, this lesse is not otherwise continged in fine uses, this lease shall lexpire, unless Lessee on or before the end of the primary term, this lease, and subject to the order provisions of hits may term alacres owned by Les 15.

  - 16.
  - 18.
  - 19.

IN WITNESS WHEREOF, the undersigned execute this instrument as Witnesses: of the day and year first written above.

Mary Ann Riebel, Trustee Wilbert J. Riebel, Tyustee Mary Ann Riebel Trust dated March Mun 1 5, 2008

Wilbert J. Riebel Trust dated March yn 2008

Mary Ann Wilbert J. Riebel, Trustee Mary Riebel, Trustee ann

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# OIL AND GAS LEASE

AGREEMENT, made and entered into this 19th day of August, 2009 , by and between

Wilbert J. Riebel and Mary Ann Riebel, Trustees of the Wilbert J. Riebel Trust dated March 5, 2008; Mary Ann Riebel and Wilbert J. Riebel, Trustees of the Mary Ann Riebel Trust dated March 5, 2008 whose mailing address is

132 S. Tomahawk Road, Dighton, KS 67839 hereinafter called lessor (whether one or more), and

Raymond Oil Company, Inc., P.O. Box 48788, Wichita, KS 67201, hereinafter called lessee

Lessor, in consideration of Ten Dollars (\$ 10.00) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and

In Section XX , Township XXXXXX , Range XXXXXX and containing 640.00 Acres, more or less, and all accretions the	Tract 2: Section 33: SW/4 64 75 -00	Tract 1: Section 33: SE/4 0974-00	Township 18 South, Range 27 West	after-acquired interest, there in situated in the County of Lane State of Kansas, described as follows, to wit:
and containing 640.00 Acres, more or less, and all accretions the	Tract 4: Section 4: NW/4 (69-77-20)	Tract 3: Section 4: NE/4 09 76 00	Township 19 South, Range 27 West	of Kansas, described as follows, to wit:

- ŝ 2 Subject to the provisions herein contained, this lease shall remain in force for a term of <u>Three (3)</u> years from (called "primary term"), and as long as thereafter as oil, liquid hydrocarbons or gas or other respective constituent products, or any form of them is produced from said land or land with which said land is pooled. In consideration of these premises lessee covenants and agrees: a. To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil hereto.

- 4 b. To pay lessor for gas of whatsoever nature or kind produced and sold or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8), at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph. This lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of the term of the mean of the preceding paragraph.
- S years first mentioned. If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid to lessor only in the proportion which lessor's interest bears to the whole and undivided fee. Lessee shall have the right to use, free of cost, gas, oil and water produced on the leased premises for lessee's operations thereon, except water from wells of
- 6.

- 9. 9. 10.
- When requested by the lessor, lessee shall bury lessee's pipelines below plow depth. No well shall be drilled nearer than 200 feet to a house or barn now on said premises without the written consent of the lessor. Lessee shall pay for all damages caused by lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to its heirs executors, administrators, successors or assigns, but no change in the ownership of the lands or assignment of rentals or royalties shall be binding on lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portions or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.
- 12
- 13
- 14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this leases is made, as recited to an in the premises described herein.
- 15 nerem
- Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leases is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as signs, will consult with Lessor regarding routes of ingress and egress prior to commencing operations. Lessee, or its assigns, will restore surface to original condition as nearly as is practicable upon completion of operations.
- 16.
- 18. and restoring terraces disturbed by operations. In the event some or all of the lands covered by this lease are enrolled in the Conservation Reserve Program (CRP) of the U.S. Department of Agriculture, Lessee shall comply with the rules and notification procedures of that program insofar as the same may apply to operations of Lessee on the enrolled lands, Lessee shall compensate Lessor for CRP penalties of CRP withdrawal reimbursements resulting directly from Lessee's operations hereunder. It is understood and agreed by Lessor and Lessee that this document shall be treated as a separate lease for each of the numbered tracts described above.
  - 19

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first written above

Mary Ann Riebel Trust dated March 5, 2008

Wilbert J. Riebel, Trustee Mary Ann Riebel, Trustee 1ant

Mary Wilbert J. Riebel, Trustee Wilbert J. Riebel Trust dated March Ann Riebel, del Trustee UAHA 5,2008

Original 7 0974-20

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

February 06, 2012

Clarke Sandberg Raymond Oil Company, Inc. PO BOX 48788 WICHITA, KS 67202-1822

Re: Drilling Pit Application Riebel Trust B Unit 1 NE/4 Sec.33-18S-27W Lane County, Kansas

Dear Clarke Sandberg:

District staff has inspected the 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 double-lined. If a plastic liner is to be used it must have a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times. District staff did indicate that there will be a haul-off pit located on top of hill west of location. Please complete surface pit application (CDP-1) for the haul-off pit.

### 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 free fluids in the reserve pit should be removed as soon as practical after drilling operations have ceased. 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.

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

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



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

Sam Brownback, Governor

### HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

### 82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS. Each operator shall perform one of the following when disposing of dike or (a) pit contents: (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department; dispose of reserve pit waste down the annular space of a well completed (2) according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or dispose of the remaining solid contents in any manner required by the (3) commission. The requirements may include any of the following: Burial in place, in accordance with the grading and restoration (A) requirements in K.A.R. 82-3-602 (f); removal and placement of the contents in an on-site disposal area (B) approved by the commission; removal and placement of the contents in an off-site disposal area (C) on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or

(D) removal of the contents to a permitted off-site disposal area

approved

by the department.

- (b) Each violation of this regulation shall be punishable by the following:
  - (1) A \$1,000 penalty for the first violation;
  - (2) a \$2,500 penalty for the second violation; and
  - (3) a \$5,000 penalty and an operator license review for the third violation.

## File Haul-Off Pit Application in KOLAR. Review the information below and attach all required documents to the pit application when submitting through KOLAR. This form will automatically generate and fill in from questions asked in KOLAR.

Haul-off pit will be located in an on-site disposal area: \_\_\_\_Yes \_\_\_\_No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: \_\_\_\_Yes \_\_\_\_No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: \_\_\_Yes \_\_\_No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.