

For KCC Use:

Effective Date: 03/04/2012

District # 2

SGA? ☒ Yes ☐ No

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

1072825

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: 07/27/2012
month day year

OPERATOR: License# 34574

Name: Shell Gulf of Mexico Inc.

Address 1: 150 N DAIRY-ASHFORD (77079)

Address 2: PO BOX 576 (77001-0576)

City: HOUSTON State: TX Zip: 77001 + 0576

Contact Person: Damonica Pierson

Phone: 832-337-2172

CONTRACTOR: License# _____

Name: Advise on ACO-1 -- Must be licensed by KCC

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: _____

☐ If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? ☐ Yes ☒ No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Top of salt @ appr. 950'. Max. surface casing 850'.

Spot Description: _____

E2 - NE - NE - NW Sec. 7 Twp. 32 S. R. 8 ☐ E ☒ W
(Q/Q/Q/Q) 330 feet from ☒ N / ☐ S Line of Section

2382 feet from ☐ E / ☒ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

County: Harper

Lease Name: Smith Farms Well #: 7-1

Field Name: Wildcat

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 1505 Estimated Estimated 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: 100

Depth to bottom of usable water: 180

Surface Pipe by Alternate: ☒ I ☐ II

Length of Surface Pipe Planned to be set: 800

Length of Conductor Pipe (if any): _____

Projected Total Depth: 5845

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

☐ Well ☐ Farm Pond ☒ Other: To be hauled

DWR Permit #: _____

(Note: Apply for Permit with DWR ☐)

Will Cores be taken? ☐ Yes ☒ No

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 - <u>15-077-21817-00-00</u>	
Conductor pipe required <u>0</u> feet	
Minimum surface pipe required <u>200</u> feet per ALT. ☒ I ☐ II	
Approved by: <u>Rick Hestermann 02/28/2012</u>	
This authorization expires: <u>02/28/2013</u> (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: _____

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

7

32

8

☐ E

☒ W



1072825

For KCC Use ONLY

API # 15 - 15-077-21817-00-00

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: Shell Gulf of Mexico Inc.

Lease: Smith Farms

Well Number: 7-1

Field: Wildcat

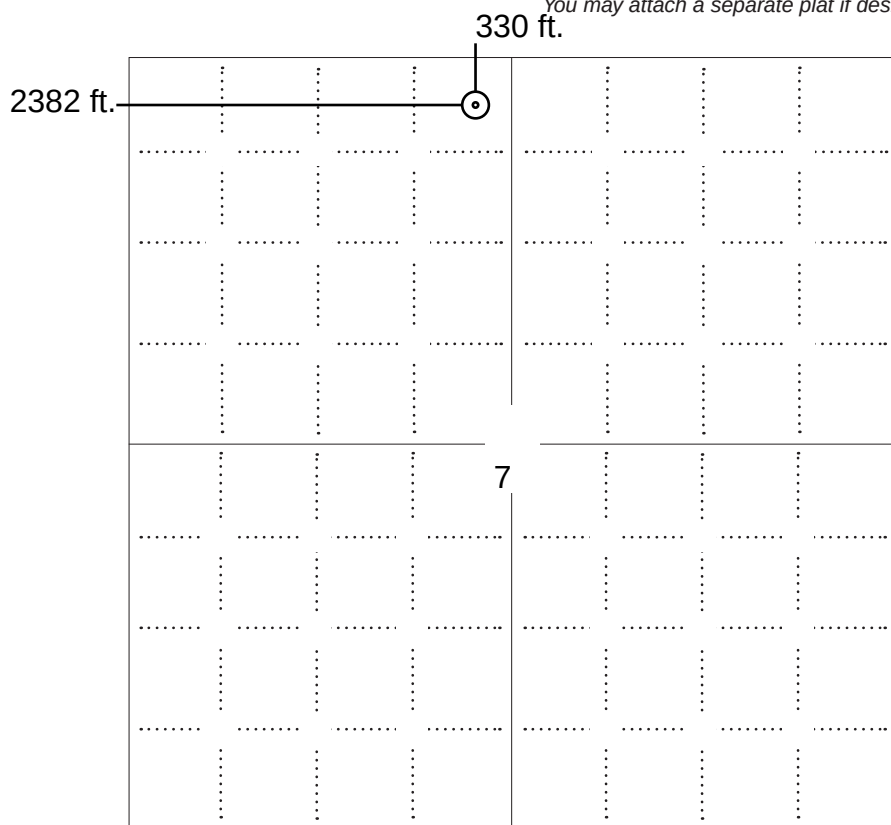
Number of Acres attributable to well:

QTR/QTR/QTR/QTR of acreage: E2 - NE - NE - NW

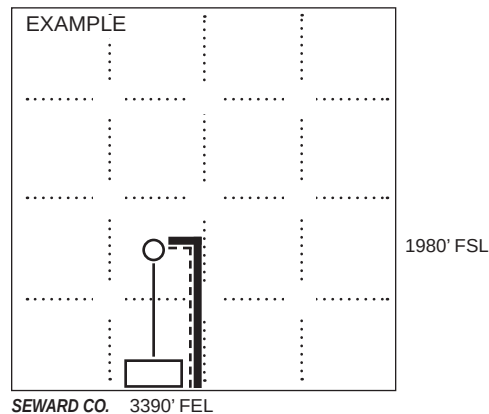
Location of Well: County: Harper

330 feet from ☒ N / ☐ S Line of Section2382 feet from ☐ E / ☒ W Line of SectionSec. 7 Twp. 32 S. R. 8 ☐ E ☒ WIs 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 location.****In plotting the proposed location of the well, you must show:**

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 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).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1072825

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Shell Gulf of Mexico Inc.		License Number: 34574	
Operator Address: 150 N DAIRY-ASHFORD (77079) PO BOX 576 (77001-0576) HOUSTON TX 77001			
Contact Person: Damonica Pierson		Phone Number: 832-337-2172	
Lease Name & Well No.: Smith Farms 7-1		Pit Location (QQQQ): E2 - NE - NE - NW Sec. 7 Twp. 32 R. 8 ☐ East ☒ West 330 Feet from ☒ North / ☐ South Line of Section 2382 Feet from ☐ East / ☒ West Line of Section Harper County	
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: 64020 (bbls)		
Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☐ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☒ Yes ☐ No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits): 350 Length (feet) 170 Width (feet) ☐ N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) ☐ No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. The pit slopes are normally 2:1 and are lined with sand or a native material to prevent punctures to the liner from rocks or debris on the slopes. The liner is ordered to fit the constructed pit size and is normally one piece. The liner is keyed into the horizontal surface by using a grader to cut a slot 5 ft from the edge of the 2:1 slope of the pit and 2 to 3 ft in depth. The liner is placed in the slot and covered over with dirt securing the liner on the surface. A truck load of fresh water is then placed in the pit to secure the bottom and to prevent air from creating pockets on the floor of the pit.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Liner will be inspected on a quarterly basis for wear, punctures and tears by a qualified person.	
Distance to nearest water well within one-mile of pit: 4225 feet Depth of water well 45 feet		Depth to shallowest fresh water 10 feet. Source of information: ☐ measured ☐ well owner ☐ electric log ☒ KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh Number of working pits to be utilized: 1 Abandonment procedure: Haul off fluids, allow to dry and backfill to restore location. Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY

Date Received: **02/24/2012** Permit Number: **15-077-21817-00-00** Permit Date: **02/28/2012** Lease Inspection: ☒ Yes ☐ No
☐ Liner ☐ Steel Pit ☒ RFAC ☒ RFAS

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



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 # 34574
Name: Shell Gulf of Mexico Inc.
Address 1: 150 N DAIRY-ASHFORD (77079)
Address 2: PO BOX 576 (77001-0576)
City: HOUSTON State: TX Zip: 77001 + 0576
Contact Person: Damonica Pierson
Phone: (832) 337-2172 Fax: (832) 337-0043
Email Address: damonica.pierson@shell.com

Well Location:
E2 NE NE NW Sec. 7 Twp. 32 S. R. 8 ☐ East ☒ West
County: Harper
Lease Name: Smith Farms Well #: 7-1

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

Surface Owner Information:

Name: C.M SMITH FARMS LLC
Address 1: c/o Richard C. Smith
Address 2: 1074 6th Street
City: Manchester State: OK Zip: 73758 + _____

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.

Submitted Electronically

T32S, R8W, 6th P.M.

SGOMI

R 9
W 8
Concrete Remains
Spike, 0.8' Below Ground
In Road Intersection
NAD 83
Lat: 37.282867°
Long: 98.239411°

3/4" Rebar, 0.4' Below
Ground In Gravel Road
NAD 83
Lat: 37.282903°
Long: 98.230047°

Nail Flush
With Road In
Intersection
NAD 83
Lat: 37.282939°
Long: 98.220867°

589'47'22"W - 2724.23' (Meas.)

589'47'29"W - 2671.67' (Meas.)

2382'

SMITH FARMS 3208 #7-1
Elev. Ungraded Ground = 1497'

Lot 1

Lot 2

Lot 3

Lot 4

N0°11'54"W - 5283.51' (Meas.)

UNIT
BOUNDARY

330' SETBACK
BOUNDARY

589'23'17"W - 5422.36' (Meas.)

S0°29'47"E - 2623.19' (Meas.)

S0°28'32"E - 2622.30' (Meas.)

1/2" Rebar,
Flush With Road
NAD 83
Lat: 37.275736°
Long: 98.220781°

SPOT ELEVATION LOCATED AT THE NORTHEAST CORNER OF SECTION 22, T33S, R7W, 6th P.M. TAKEN FROM THE ANTHON QUADRANGLE, KANSAS, HARPER COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 1348 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY THE DEEDS AND RECORDS SUPERVISOR AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

REVISED: 01-24-12 C.C.
REVISED: 11-03-11 C.C.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 13863
STATE OF KANSAS
J. JOHNSON
LS-1060

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

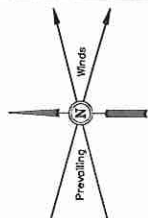
LEGEND:

- = 90° SYMBOL

● = PROPOSED WELL HEAD.

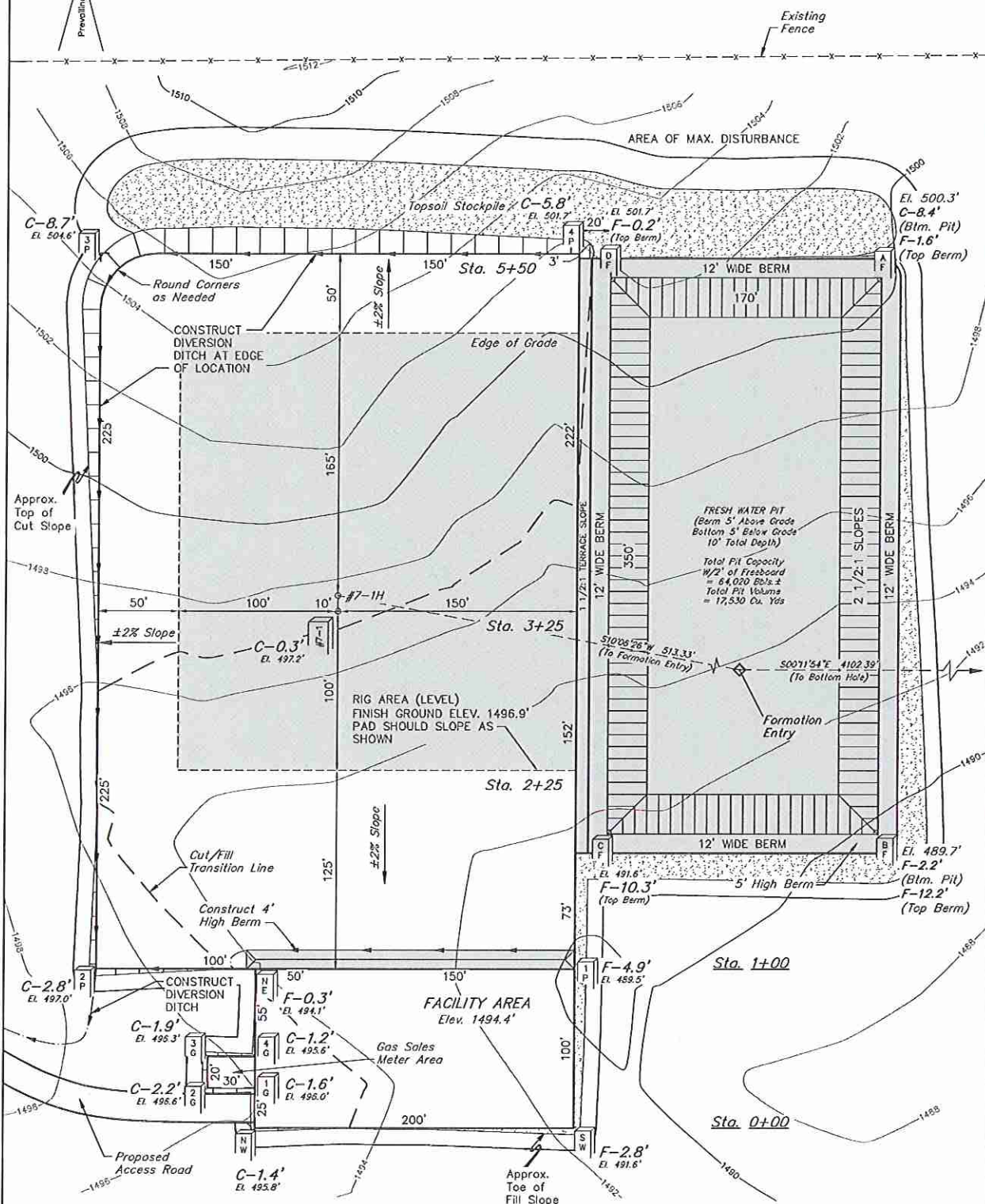
▲ = SECTION CORNERS LOCATED.

SCALE	1" = 1000'	DATE SURVEYED:	DATE DRAWN:
PARTY	L.S. K.H. C.C.	REFERENCES	G.L.O. PLAT
WEATHER	WARM	FILE	SGOMI



SGOMI
LOCATION LAYOUT FOR
SMITH FARMS 3208 #7-1 & #7-1H
SECTION 7, T32S, R8W, 6th P.M.
NE 1/4 NW 1/4

FIGURE #1
SCALE: 1" = 60'
DATE: 01-30-12
DRAWN BY: C.C.



**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.

February 28, 2012

Damonica Pierson
Shell Gulf of Mexico Inc.
150 N DAIRY-ASHFORD (77079)
PO BOX 576 (77001-0576)
HOUSTON, TX 77001-0576

Re: Drilling Pit Application
Smith Farms 7-1
NW/4 Sec.07-32S-08W
Harper County, Kansas

Dear Damonica Pierson:

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 **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 1 week after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (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.