

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

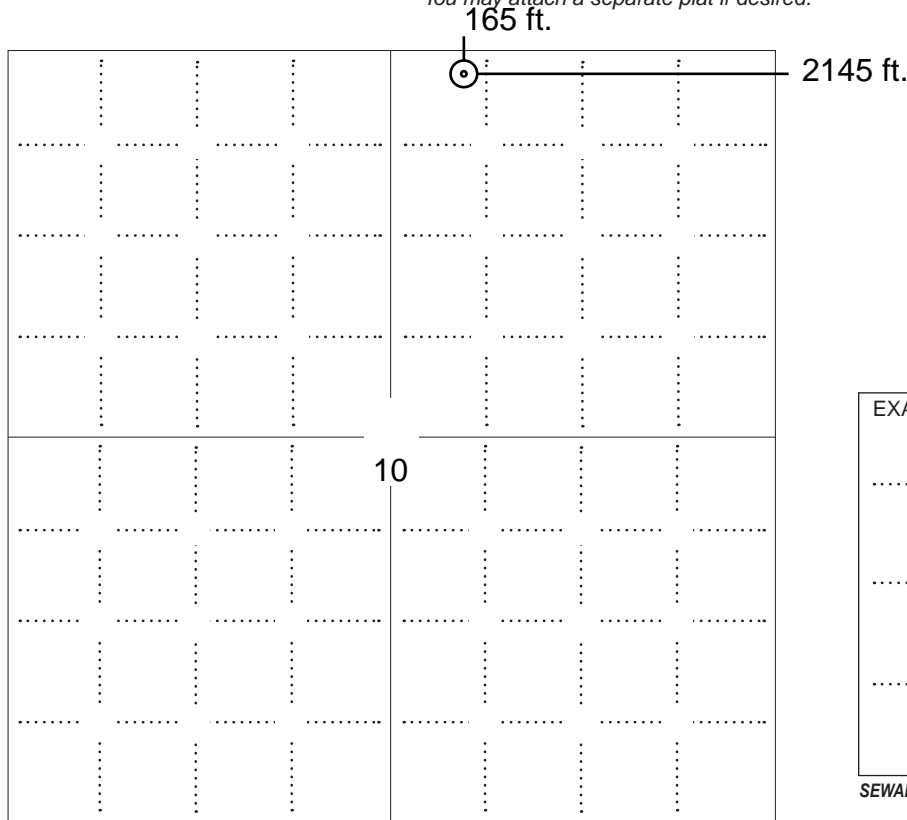
If Section is Irregular, locate well from nearest corner boundary.

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.

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.	
Submitted Electronically			

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.

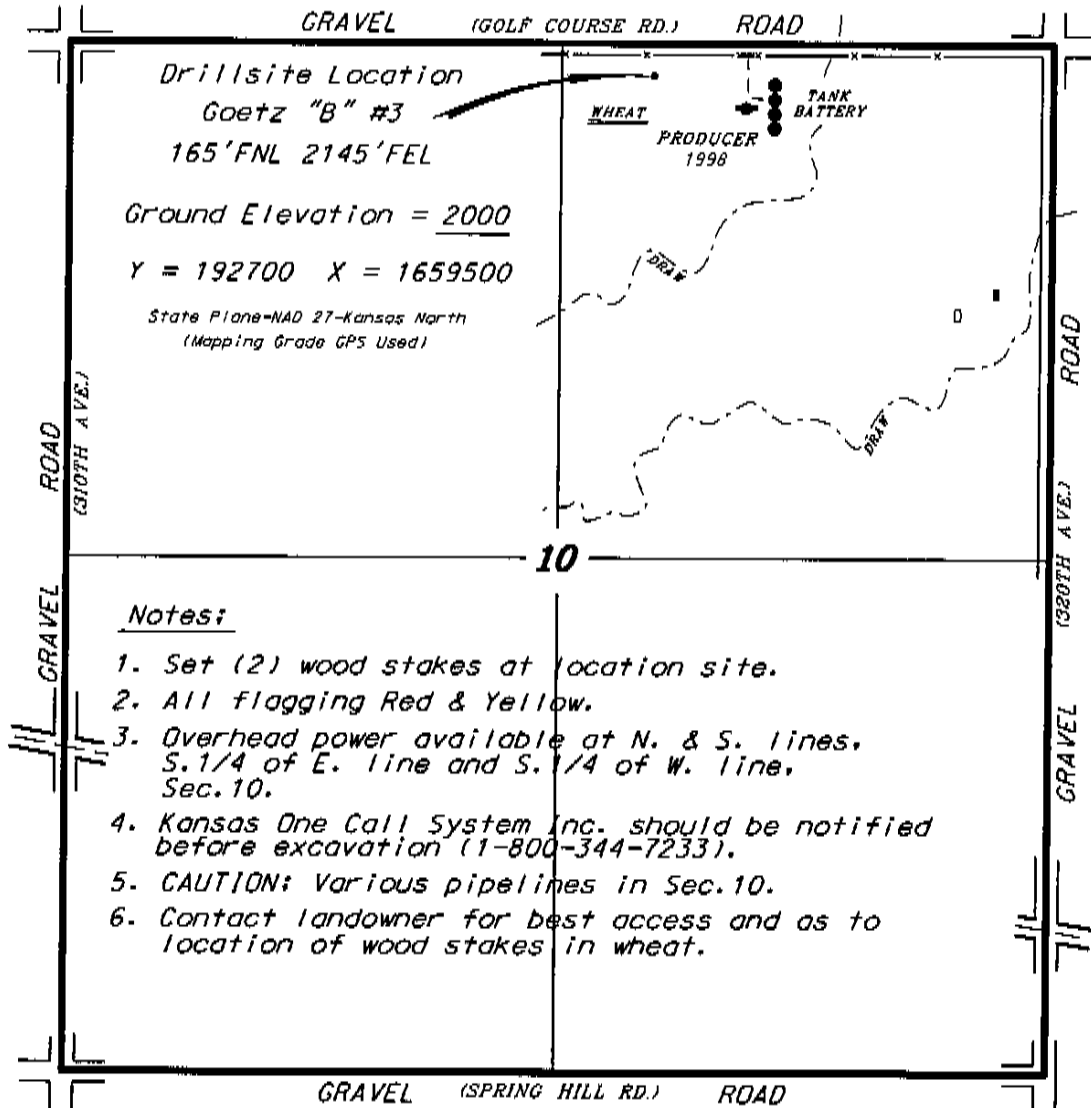
Select one of the following:

- 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 must provide the name and address of the surface owner by filling out the top section of this form and that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

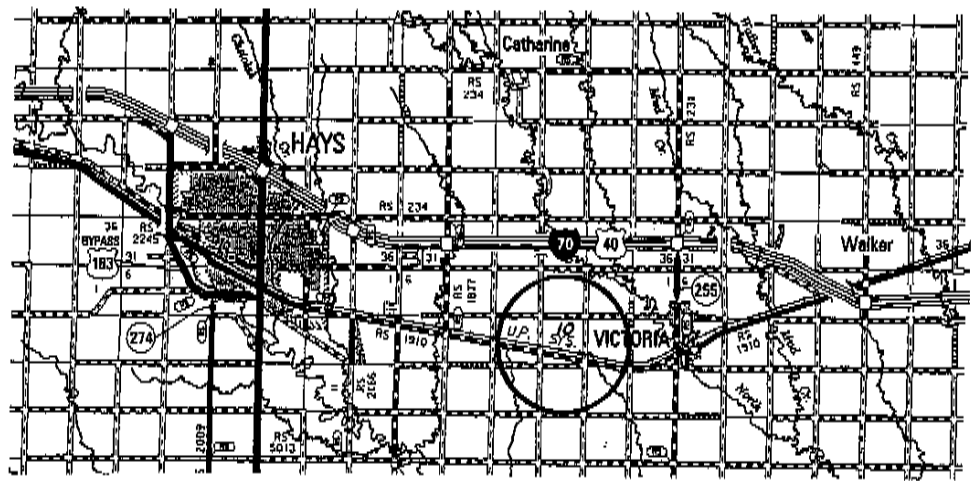
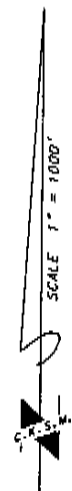
If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I Submitted Electronically

BEREXCO, LLC
GOETZ LEASE
NE. 1/4, SECTION 10, T14S, R17W
ELLIS COUNTY, KANSAS



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

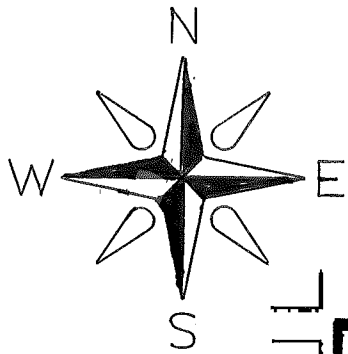


Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.

Approximate section lines were determined using the normal standard of care of oilfield surveyors 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 drillsite location in the section is not guaranteed. Therefore, the operator securing this service and operating this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entries released from any liability from incidental or consequential damages.

Elevations derived from National Geodetic Vertical Datum.

Date March 14, 2012



BEREXCO, LLC

GOETZ LEASE

NE. 1/4, SECTION 10, T14S, R17W

ELLIS COUNTY, KANSAS

GRAVEL (GOLF COURSE RD.)

PROPOSED ROAD TO LOCATION

ROAD 1

Drillsite Location

Goetz "B" #3

165' FNL 2145' FEL

Ground Elevation = 2000

Y = 192700 X = 1659500

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

PROPOSED FLOWLINE

WHEAT

PRODUCER 1998

TANK BATTERY

PROPOSED TANK BATTERY

ROAD

(S10TH AVE.)

GRAVEL

10

Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N. & S. lines, S. 1/4 of E. line and S. 1/4 of W. line, Sec. 10.
4. Kansas One Call System Inc. should be notified

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

ROAD

(S20TH AVE.)

GRAVEL

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Mark Sievers, Chairman
 Thomas E. Wright

In the matter of the application of Berexco LLC) Docket No. 12-CONS-212-CWLE
for a well location exception and the assignment)
of oil and/or gas allowables for the Goetz B 3) CONSERVATION DIVISION
well located in Section 10, Township 14 South,)
Range 17 West, Ellis County, Kansas.) License No. 34318

ORDER GRANTING APPLICATION

Now, the above matter comes for consideration and determination by the State Corporation Commission of the State of Kansas ("Commission" or "KCC"). The Commission, being fully advised in the premises, and giving due consideration to the statutes of Kansas and the regulations of this Commission, finds and concludes as follows:

1. Berexco, LLC ("Berexco" or "Applicant"), filed an application on February 14, 2012, requesting a well location exception for its Goetz B 3 well (the "subject well").
2. Applicant is a Kansas limited liability company that can be served at 2020 N. Bramblewood, Wichita, Kansas 67206. KCC records indicate Applicant is licensed to conduct oil and gas activities in Kansas pursuant to K.S.A. 55-155.
3. The application in this docket was filed pursuant to the rules and regulations of the Commission and Kansas Statutes, thus fulfilling all regulatory and statutory requirements.
4. Notice was proper in every respect and was published as prescribed by the Commission's rules and regulations. Notice of the application was furnished to all interested parties at least 15 days before the granting of the application, and notice was properly published in *The Wichita Eagle* and *The Hays Daily News* newspapers stating that the application would be granted by the Commission if no protests were received within 15 days.

5. On March 5, 2012, Rock Chalk Royalties, Ltd. ("Rock Chalk"), submitted a letter of protest by email.
6. On March 13, 2012, Berexco filed a Motion to Dismiss Protest.
7. On March 23, 2012, Rock Chalk filed a Response to Motion to Dismiss Protest.
8. On March 27, 2012, Berexco filed Applicant's Reply to Response to Motion to Dismiss Protest.
9. On April 4, 2012, the Commission issued its Order on Motion to Dismiss Protest, allowing the protest and not requiring additional notice by the applicant. The matter was set for hearing on July 19, 2012.
10. On June 29, 2012, Dana Wreath and Phyllis Shahin prefiled testimony on behalf of Berexco.
11. On July 10, 2012, counsel for Rock Chalk informed KCC Legal Staff that the protest would be withdrawn. A letter was received on July 16, 2012, confirming that the protest was withdrawn and the hearing cancelled.
12. The subject well will be located as follows:

165 feet from the North line and 2,145 feet from the East line of Section 10, Township 14 South, Range 17 West, Ellis County, Kansas.
13. According to K.A.R. 82-3-207, an oil well shall not be drilled closer than 330 feet from any lease or unit boundary, and a standard drilling unit shall be 10 acres. According to K.A.R. 82-3-312, a gas well shall not be drilled closer than 330 feet from any lease or unit boundary, and a standard drilling unit shall be 10 acres. Exceptions to each regulation may be granted pursuant to K.A.R. 82-3-108 to prevent waste or protect correlative rights.

14. The application states that the proposed subject well will be located 165 feet from the nearest lease or unit boundary, which is nearer than the setback requirement of 330 feet.

15. The application states that the proposed location was determined by seismic survey to be the most advantageous for the production of oil and/or gas from the Arbuckle formation. Additional information regarding the seismic survey results is provided in the testimony prefiled on behalf of Berexco.

16. The acreage to be attributed to the well includes the following:

10 acres surrounding the well in Section 10, Township 14 South,
Range 17 West, Ellis County, Kansas.

17. The Commission finds that an exception to the well location restrictions under K.A.R. 82-3-108 should be granted to prevent waste and protect correlative rights, 10 acres immediately surrounding the well should be attributed to the well, and the well should be assigned a full allowable.

18. The application should be granted in accordance with the above findings.

THEREFORE, THE COMMISSION ORDERS THAT:

A. The application for a well location exception for the subject well is hereby granted, 10 acres immediately surrounding the well are attributed to the well, and a full allowable is assigned to the well.

B. Any party affected by this Order may file with the Commission a petition for reconsideration pursuant to K.S.A. 77-529(a). The petition shall be filed within 15 days after service of this Order and must state the specific grounds upon which relief is requested. If service of this Order is by mail, three days will be added to the deadline. The petition shall be filed with the Executive Director of the Conservation Division, Finney State Office Building, 130 South Market, Room 2078, Wichita, KS 67202-3802.

C. The Commission retains jurisdiction of the subject matter and the parties and may enter additional orders as it deems appropriate.

BY THE COMMISSION IT IS SO ORDERED.

Sievers, Chmn.; Wright, Com.

Dated: JUL 24 2012



Patrice Petersen-Klein
Executive Director

Date Mailed: 07-24-2012

LRP

I CERTIFY THE ORIGINAL
COPY IS ON FILE WITH
The State Corporation Commission

JUL 24 2012



CERTIFICATE OF SERVICE

I certify that on 7/24/2012, I caused a complete and accurate copy of this Order to be served via United States mail, with the postage prepaid and properly addressed to the following:

Thomas M. Rhoads
1050 Market Centre
155 North Market
Wichita, Kansas 67202-1829
Attorneys for the Applicant

David E. Bengtson
Stinson Morrison Hecker LLP
1625 N. Waterfront Pkwy., Ste. 300
Wichita, Kansas 67206-6620
Attorneys for the Protestant

Case Morris
KCC District #4
2301 E. 13th St.
Hays, Kansas 67601-2651

And delivered by hand to:

Jim Hemmen, Production Department
Conservation Division Central Office

/s/ Lane R. Palmateer
Lane R. Palmateer
Litigation Counsel
Kansas Corporation Commission