For KCC Use:

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District	±	
DISTINCT	TT .	

SGA?	Yes	No

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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

1075790

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#	Sec Twp S. R E □ W feet from □ N / □ S Line of Section feet from □ E / □ W Line of Section
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. II
Approved by:	
This authorization expires:	tarted within 12 months of approval date.)
Spud date: Ag	gent:

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:

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



For KCC Use ONLY

API # 15 - ____

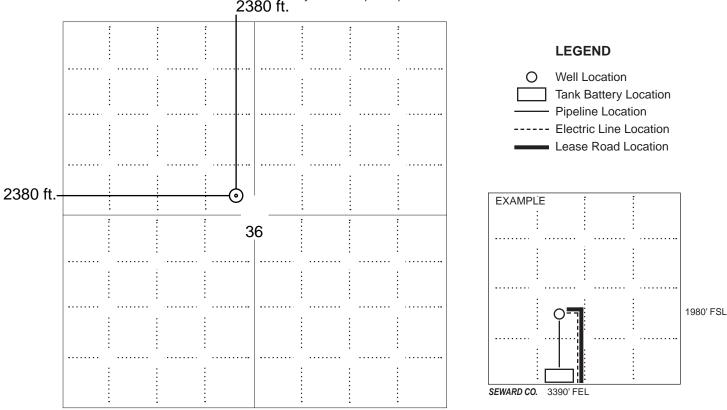
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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. 2380 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 Sec.____Twp.____R.___ East West Settling Pit **Drilling Pit** If Existing, date constructed: Feet from North / South Line of Section Haul-Off Pit Workover Pit ____Feet from ___ East / ___ West Line of Section Pit capacity: (If WP Supply API No. or Year Drilled) County _(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? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes Yes No No ____Length (feet) ___ _____Width (feet) Pit dimensions (all but working pits): N/A: Steel Pits Depth from ground level to deepest point: __ __ (feet) No Pit If the pit is lined give a brief description of the liner Describe procedures for periodic maintenance and determining material, thickness and installation procedure. liner integrity, including any special monitoring. Depth to shallowest fresh water ____ Distance to nearest water well within one-mile of pit: feet. Source of information: KDWR measured well owner electric log _feet Depth of water well ____ __ feet Emergency, Settling and Burn Pits ONLY: Drilling, Workover 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 flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. Submitted Electronically KCC OFFICE USE ONLY Steel Pit Liner RFAC RFAS Permit Number: No Date Received: Permit Date: Lease Inspection: Yes

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
Contact Person:	the lease below:
Phone: () Fax: ()	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	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 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

I

I

88 - (Producers) 1-48 B+ OIL AND GA	SLEASE (B) Reorder No. (C) AMS Show SLUE PRINT CO. INC. 09-130 DIG-24-9344-9-0 Box 793-Witchild X557201-0793	
	Next Next No. 1	
AGREEMENT, Made and entered into this <u>30</u> nd between Pearl L. Burchett, a widow,	uzy vi	t
James F. Burchett		
	mining and the second state of the second stat	
Paul Caragianis Party of the	first part, hereinafter called lessor (whether one or more) and Part Yof the second part, hereinafter called lessee.	
of lessee to be paid, kept and performed, has granted, de- and let unto said lessee, for the sole and only purpose of m	nised, leased and let and by these presents does grant, demise, ining and operating for oil and gas, and laying pipe lines, and ce, save and take care of said products, all that certain tract of	
together with any reversionary rights therein, situated in the e.of Kansas	4S-R12W and the W/2 of Lot 1 and	
/2 SW/4 and SW/4 SE/4 of Sec. 36-T3 11 of Lot 2 of Sec. 1-T35S-R12W	45-RIZW and the w/2 of hot i and	22
		ADDA
lectionTownshipRange	and containing acres more or less.	. l
ated.	and rand by the topool, of the promotion of the	275-
In consideration of the premises the said lessee covenants 1st. To deliver to the credit of lessor, free of cost, in the	pipe line to which lessee may connect his wells, the equal one-	
bline or any other product as royalty % of the market value of ee, then as royalty % of the proceeds of the sale thereof at the proceeds from the sale of gas as such at the mouth of the l, lessee shall pay or tender annually at the end of each year unt equal to the delay rental provided in the next succeeding	om any oil well and used by the lessee for the manufacture of of such gas at the mouth of the well; if said gas is sold by the he mouth of the well. The lessee shall pay lessor as royalty ½ of well where gas only is found and where such gas is not sold or y period during which such gas is not sold or used as royalty, an paragraph hereof, and while said royalty is so paid or tendered a paragraph hereof; the lessor to have gas free of charge from in the principal dwelling house on said land by making his own	+72
	n said land on or before, 19, this efore that date shall pay or tender to the lessor, or to the lessor's	
it in The s successors, which shall continue as the depository regardles	Bank at	C V
ch shall operate as a rental and cover the privilege of deferrin ike manner and upon like payments or tenders the commence is number of months successively. All such payments or ter ignee thereof, mailed or delivered on or before the rental payin d it is understood and agreed that the consideration first recite he date when raid first rental is payable as aforesaid, but also all other rights conferred. Lessee may at any time execute ering any portion or portions of the above described premise be relived of all obligations as to the aforeage surrendered.	g the commencement of a well for twelve months from said date. ement of a well may be further deferred for like periods or the nders of rental may be made by check or draft of lessee or any g date either direct to lessor or assigns or to said depository bank. d herein, the down payment, covers not only the privileges granted the lessee's option of extending that period as aforesaid, and any e and deliver to Lessor, or place of record, a release or releases and thereafter the rentals payable hereunder shall be reduced in	/// ~/00
Interced on said land within twelve months from expiration of all terminate as to both parties, unless the lessee on or before t tals in-the same amount and in the same manner as hereinb ment of rentals, as above provided, that the last preceding par reof, shall continue in force just as though there had been no If said lessor owns a less interest in the above described be royalties and rentals herein provided shall be paid the lessor livided fee. However, such rental shall be increased at the ne er the interest so acquired. Lessee shall have the right to use, free of cost, gas, oil, a ter from wells of lessor. When requested by lessor, lessee shall bury his pipe lines No well shall be drilled nearer than 200 feet to the house sor.	d be a dry hole, then, and in that event, if a second well is not the last rental period for which rental has been paid, this lease the expiration of said twelve months shall resume the payment of pefore provided. And it is agreed that upon the resumption of the ragraph hereof, governing the payment of rentals and the effect interruption in the rental payments. and than the entire and undivided fee simple estate therein, then only in the proportion which his interest bears to the whole and ext succeeding rental anniversary after any reversion occurs to and water produced on said land for its operation thereon, except below plow depth. or barn now on said premises, without the written consent of the	1,010 FLUTURY
Lessee shall pay for damages caused by its operations to Lessee shall have the right at any time to remove all mad	growing crops on said land. chinery and fixtures placed on said premises, including the right	
ve the right to drill such well to completion with reasonable d paying quantities, this lease shall continue and be in force with	hin the term of this lease or any extension thereof, the lessee shal iligence and dispatch, and if oil or gas, or either of them, be found h the like effect as if such well had been completed within the term	
renants hereof shall extend to their heirs, executors, administ e land or assignment of rentals or royalties shall be binding itten transfer or assignment or a true copy thereof; and it is l as to parts of the above described lands and the assignee or so to the solution of the action of the assignee or	privilege of assigning in whole or in part is expressly allowed, the trators, successors or assigns, but no change in the ownership of g on the lessee until after the lessee has been furnished with a hereby agreed in the event this lease shall be assigned as to a par assignees of such part or parts shall fail or make default in th them on an acreage basis, such default shall not operate to defea and many which the could leave or approximent thereof shall make	a t e t
affect this lease in so far as it covers a part or parts of said # e payments of said rentals. If the leased premises are now or vertheiess, may be developed and operated as an entirety, and it the acreage owned by him bears to the entire leased area. T separate tracts into which the land covered by this lease is m which separate measuring or receiving tarks for the oil produ	the royalties shall be paid to each separate tracts, the premises the royalties shall be paid to each separate owner in the proportion here shall be no obligation on the part of the lessee to offset well ow or may hereafter be divided by sale, devise, or otherwise, or t need from such separate tracts.	s, n s 0
Lessor hereby warrants and agrees to defend the title to eright at any time to redeem for lessor by payment, any mor ent of default of payment by lessor, and be subrogated to the See attached Addendum.	the lands herein described, and agrees that the lessee shall hav tgages, taxes or other liens on the above described lands, in th	~
Whereof witness our hands as of the day and year first ove written.	Ary D. Durchett (SEAL	.)
Witness to the mark: Please record and return to:	Gary D. Burchett (SEAL)
Stuart M. Kowalski Martin, Pringle, Oliver,)
Wallace & Swartz	DOWNED F BLUTCH (SEAL	_)
220 W. Douglas, 300 Page Count Wichita, Kansas 67202-3194	James F. Burchett	

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DUNTY OF SUUKANE	ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)	• •
he foregoing instrument was acknowledged before me this	30th and November	mm19"9%
FEAR L. BURCHETT, GARU D. E	Surchett and William Fig	THIS MARK
James F. Burchett		
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	Donald L. Rodman Notary Public of	Alivert
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OIL AND GAS LEASE read read and James C. Caragianis C. Caragianis		2
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Oll William Vo Date Section	No. of Acres Barrber STATE OF County This inst day of in Book in Book	L rect
Pearl Willis TO Paul C Paul C Section _	No. of Ac Barber STATE C County This This at in Book the record	By When
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	ACKNOWLEDGMENT FOR CORPORATION (KsOkCoN	2)
OUNTY OF	ACKNOWLEDGMENT FOR CORPORATION (KsOkCoN	
DUNTY OF		e) , 19
OUNTY OF ne foregoing instrument was acknowledged before me this		
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OUNTY OF he foregoing instrument was acknowledged before me this y f prporation, on behalf of the corporation.	a day of a Notary Public	, 19
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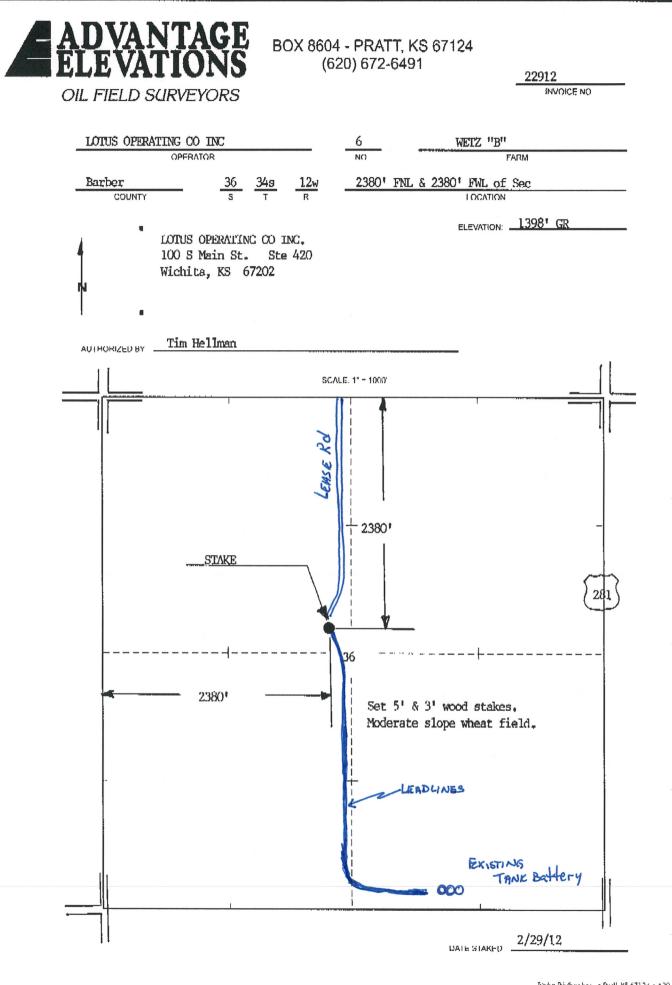
ADDENDUM TO OIL AND GAS LEASE dated November <u>30,19</u>4by and between Pearl Burchett, et al and Paul Caragianis

This Oil and Gas Lease shall become effective only upon the release or other termination of the oil and gas lease recorded at Book 131, Page 427 now in effect and covering the herein described land.

Lessee shall have the right to install and operate a salt water disposal well upon the land herein described for the disposal of salt water from the West Half and the East Half of the West Half of Section 36-35S-12W and the West Half of Lot 1 and all of Lot 2, Section 1-35S-12W, Barber County, Kansas.

Gary D. Burchett, William F. Burchett and James F. Burchett all warrant and represent that they have never been residents of the state of Kansas.

2



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

NOTICE

Nearest Lease or Unit Boundary Line

K.A.R. 82-3-108 provides that all oil and gas well locations must comply with setback requirements, unless an exception has been granted by the Commission. Depending upon whether the subject well is an oil well or gas well, and also depending upon the county in which the well is located, the setback may be 330 feet or 165 feet from the nearest lease or unit boundary.

This Intent to Drill ("C-1") form indicates that the distance between the well and the nearest lease or unit boundary will comply with the setback requirement. Accordingly, the C-1 has been approved. However, the C-1 also stated that the well location is very near a boundary line of a Section or a Quarter-Section. This notice is being sent as a courtesy reminder, in case an error was made on the C-1.

As the operator of the proposed well, you must independently verify that the proposed well location complies with the applicable regulatory setback. If at any time it should appear that a well does not comply with the regulatory setback, the well may be subject to being shut-in pending Commission approval of an application for a well location exception. In addition, if such an application is not granted by the Commission, you may be required to plug the well.

If the proposed well location will comply with the regulatory setback, this notice may be disregarded. Please contact the KCC Production Department with any questions or concerns.

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

March 06, 2012

Tim Hellman Lotus Operating Company, L.L.C. 100 S. Main, Ste 420 Wichita, KS 67202-3737

Re: Drilling Pit Application Wetz B 6 NW/4 Sec.36-34S-12W Barber County, Kansas

Dear Tim Hellman:

District staff has inspected the above referenced location and has determined that the reserve pit shall be 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 96 hours 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 (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.