For KCC Use:

Eff	ec	tiv	e	Date
— ·				

District	±	
DISTINCT	TT .	

SGA?	Yes	No

Form

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

1075900

NOTICE OF INTENT TO DRILL

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

KSONA-1, Certification of Compliance with the Kans	s Surface Owner Notification Act	, MUST be submitted with this form
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Expected Spud Date:	Spot Description:
month day year OPERATOR: License#	(0/0/0/0)
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side) County: Lease Name:Well #:
Phone:	Field Name:
CONTRACTOR: License# Name:	Is this a Prorated / Spaced Field? Yes Yes No Target Formation(s):
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Nearest Lease or unit boundary line (in footage):
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
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.
Approved by:	
This authorization expires:	
Spud date: Agent:	

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

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

ш

Well will not be drilled or Permit Expired Date: _ Signature of Operat

or	or	Ag	ent:		



Section corner used: NE NW SE SW

For KCC Use ONLY

API # 15 - ____

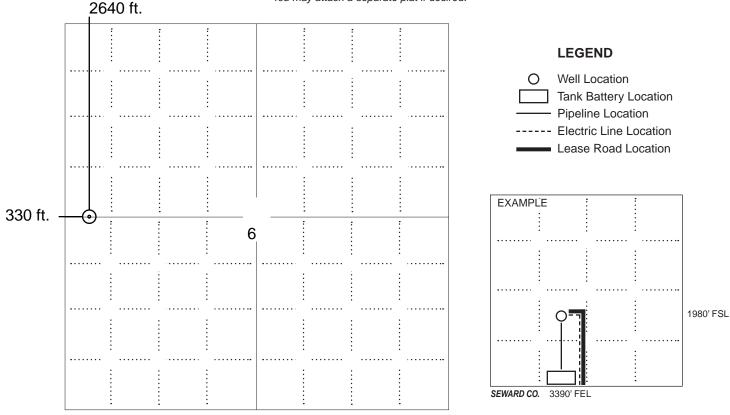
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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:	SecTwpS. R E W
Number of Acres attributable to well:	Is Section: Regular or Irregular
	If Section is Irregular, locate well from nearest corner boundary.

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 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

S CONSERVATION DIVISION

Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

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 #	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

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CENTRAL KANSAS SURVEYING & MAPPING

2344 Washington - Great Bend, Kansas 67530 • (316) 792-5754 or FAX (316) 792-2873



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1650 FNL	-	3630FSL
1980FNL		3300FSL
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2310 FSL		2310FSL
1980FSL		1980 FSL
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STATE OF KANSAS COUNTY OF TREGO SS THIS INSTRUMENT WAS FILED FOR RECORD THIS 21st DAY OF July , 2011 AT 9:00 AM AND RECORDED IN BOOK 172 OF RECORDS AT PAGE 306 FEE \$ 16.00

wea m Kumpel Evea M. Rumpel, REGISTER OF DEEDS

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DECLARATION of POOLING and UNITIZATION

THIS Declaration of Pooling and Unitization (the "Declaration") is made by PHILLIPS EXPLORATION COMPANY, L.C. ("Phillips Exploration").

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, Phillips Exploration is the owner of the following described Oil and Gas Leases covering lands located in Trego County, Kansas, to-wit:

Dated:	May 25, 2007
Lessor:	Richard Herman Farms, Inc.
Lessee:	Mako Exploration Company, LLC
Recorded:	Book 147, Page 77
Land:	Township 11 South, Range 23 West
	Section 6: SW/4
	2
Dated:	May 25, 2007
Dated: Lessor:	May 25, 2007 Justin Ruder, a single man
Lessor:	Justin Ruder, a single man
Lessor: Lessee:	Justin Ruder, a single man Phillips Exploration Company, LC
Lessor: Lessee: Recorded:	Justin Ruder, a single man Phillips Exploration Company, LC Book 150, Page 228

(individually and collectively the "Oil and Gas Leases"); and

WHEREAS, under the provisions of the Oil and Gas Leases, Phillips Exploration has the option, right and power to pool and consolidate all or a portion of the lands covered by said Oil and Gas Leases so as to create a consolidated oil leasehold estate and operating unit consisting of the combined unit area described herein; and

WHEREAS, Phillips Exploration has determined that it is necessary or advisable to pool or combine all or a portion of the acreage covered by said Oil and Gas Leases to create a unit for the production of oil to promote conservation of oil in and under and that may be produced from the unitized premises, upon the terms and conditions hereinafter provided, and as provided in said Oil and Gas Leases; and

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172 307

WHEREAS, Phillips Exploration does now desire to exercise said right and power granted by the Oil and Gas Leases and to give notice of its exercise of said right and power by the filing of record this written designation of such oil unit together with a description of the oil production unit so created.

NOW THEREFORE, in consideration of the premises, the execution of this Declaration and the mutual covenants herein to be performed, and other good and valuable consideration, Phillips Exploration executes this instrument as a formal declaration that each of the Oil and Gas Leases, as to the respective lands located within the oil production unit described below, as to the royalties payable thereunder, and as to all oil produced therefrom, including casinghead gas, are and shall be hereby combined and pooled so as to create one consolidated oil leasehold estate and operating unit consisting of the following lands, to-wit:

Township 11 South, Range 23 West Section 6: S/2 SW/4 NW/4 & N/2 NW/4 SW/4

containing 40 acres, more or less, to the same extent as if said oil leasehold estates had originally been included in one oil and gas lease, which area shall include within the same all lands covered by the above described Oil and Gas Leases insofar and only insofar as the same are included within the above described gas unit.

Phillips Exploration does hereby state that drilling operations for oil and the production of oil on any part of the oil unit shall be treated as if such drilling operations were had or such oil production was obtained from land described in each of said Oil and Gas Leases, regardless of where the oil well or wells may be located upon said oil unit. The entire acreage contained in said oil unit shall be treated for all purposes, except the payment of royalties on such production of oil from said gas unit, as if said lands were included in each of the said Oil and Gas Leases. In lieu of the oil royalty set forth in said Oil and Gas Leases, and pursuant to the terms of the unitization clause in each said lease, each respective lessor shall receive on oil production, only such portion of the royalty stipulated in the pertinent oil and gas lease(s), as the amount of lessor's surface acreage contained in his/her oil and gas lease placed in the oil unit bears to the amount of the total surface acreage of the entire pooled area. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, royalty or other interests pooled pursuant hereto.

Phillips Exploration further states that in the event that any one of the above described Oil and Gas Leases shall terminate for any reason, that upon the termination of any such Oil and Gas Lease, the oil unit formed herein shall cease and terminate only as to the acreage contributed by the Oil and Gas Lease so terminated, but shall otherwise remain in full force and effect.

THIS Declaration and the terms and conditions hereof shall be deemed to be a covenant running with the lands and leases contained in the oil unit herein created and shall extend to and be binding upon all persons having any right, title or interests of any kind or character in and to the above described Oil and Gas Leases, including Lessors' rights thereunder, and their respective heirs, successors and assigns.

DB02/771548.0001/8853822.1

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IN WITNESS WHEREOF, Phillips Exploration has hereunto caused this declaration to be executed and to be effective as of April 2(, 2011.

PHILLIPS EXPLORATION COMPANY, L.C.

Attest:

James B. Phillips, President

STATE OF KANSAS)) ss: COUNTY OF SEDGWICK)

This instrument was acknowledged before me on April 2(, 2011, by James B. Phillips as President of Phillips Exploration Company, L.C., on behalf of said limited liability company.

SANDRA J. AVELLO Notary Public - State of Kansas My Appt. Expires Notary Public My commission expires:

172 308