



1076041

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

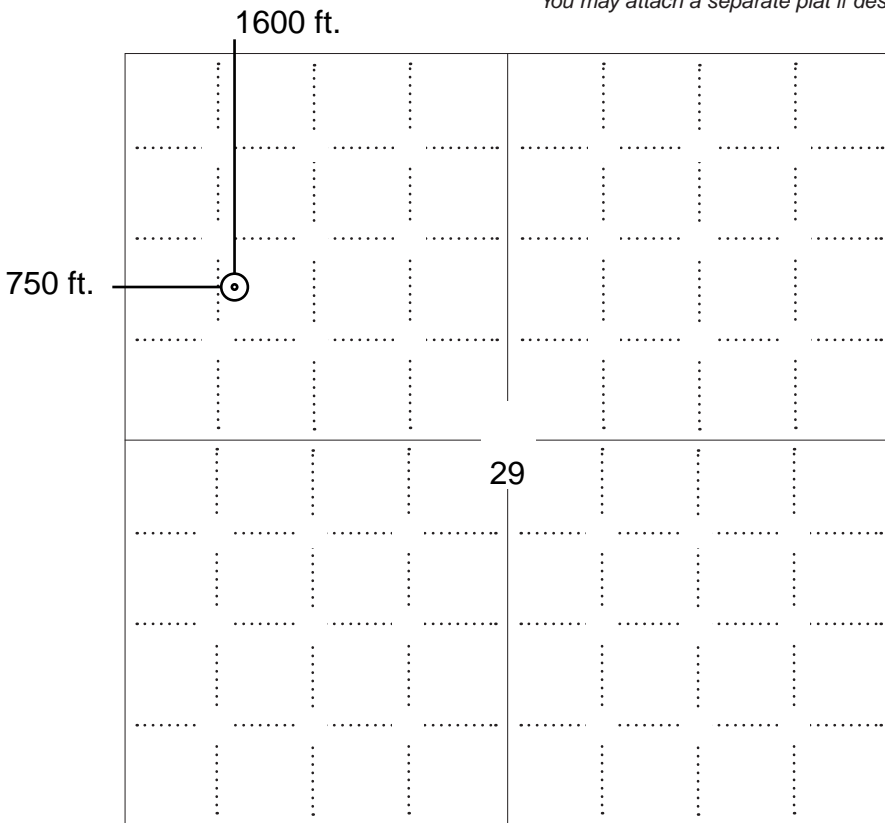
Is Section: Regular or Irregular

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.



KANSAS CORPORATION COMMISSION 1076041
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: <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.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



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 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



CASTELLI EXPLORATION, INC.

6908 N.W. 112th Street

Oklahoma City, Oklahoma 73162

(405) 722-5571

FACSIMILE (405) 722-9871

SURFACE DAMAGE AND WATER USAGE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT the undersigned, Walter Don Thompson of 500 East Cottonwood, Coldwater, KS 67029 (hereinafter known as Landowner, whether one or more), and Castelli Exploration, Inc. (hereinafter known as The Company), for and in consideration of Ten and More dollars, cash in hand paid, and other good and valuable consideration the receipt of which is hereby acknowledged, do hereby enter into the Damage Agreement for the complete and entire compensation for damages caused by The Company's ordinary and reasonable operations pursuant to the drilling, completing and operating of the Thompson #1-30 well located at or near:

W/2 SW NW of Section 30, Township 30 South, Range 18 West
Kiowa County, Kansas

The Landowner hereby agrees that the consideration paid hereinabove stated shall serve as complete compensation for ordinary and reasonable damages arising out of and caused by the aforesaid operations on the said premises to the surface and growing crops thereon, water from a well designated by Landowner, said water to be used for drilling operations, for the road and location including all earth pits necessary for said operations and including, but not limited to, any damages which may be caused by the drilling operation.

Notwithstanding other provisions herein to the contrary, this release of damages covers only the drilling of The Company's proposed well and the completion and ordinary and reasonable day to day operation of said well. It does not cover any additional well or wells that may in the future be located on the land.

Furthermore, this release of damages covers only damages reasonably necessary to the operation of the Lease; and excludes any future damages due to negligence of The Company or use of portions of the land not reasonably necessary to operations.

The Landowner hereby grants permission for the removal, or altering of any and all trees, wherever located on the leased premises, which The Company feels necessary or convenient for the construction and/or completion of this project.

The Company hereby agrees that all fences cut or disturbed by its entry on said lands will be repaired and/or replaced to return same to their condition prior to The Company's entry as nearly as practicable. Where The Company has constructed roads, The Company shall install cattle guards and/or other mechanical devices to restrain livestock from crossing said fences.

The Company further agrees that within a reasonable time following completion or abandonment of the aforesaid well and location, the surface of the location will be restored as nearly as practicable to its condition prior to The Company's entry thereon. Such restoration will include allowing the pits to dry, filling same, grading and leveling site, and the removal of all debris from the surface, leaving said land suitable for replanting without further leveling or cleaning on the part of the Landowner. Any terraces broken or otherwise disturbed by the aforesaid operations will be rebuilt according to their original contour and returned to their condition prior to the entry on said premises and nearly as practicable or rebuilt in such a manner as to allow proper water drainage and minimize soil erosion. Any land taken for roads by The Company shall be similarly restored, or at the option of the Landowner may be retained as roads.

Walter Don Thompson also gives Castelli Exploration, Inc. permission to haul mud cuttings from the CK #29-F2 drilling well located in Section 29-31S-16W Comanche County, KS to the pit on the Thompson #1-30 located in Section 30-30S-18W Kiowa County, KS.

This agreement and the expressed provisions, terms and covenants herein stated shall serve as the complete agreement between the parties.

Agreed to and Acknowledged receipt of \$10,000.00 paid in full payment for damages and water usage as set out herein on this 12th day of March, 2012.

LANDOWNER:

Walter Don Thompson

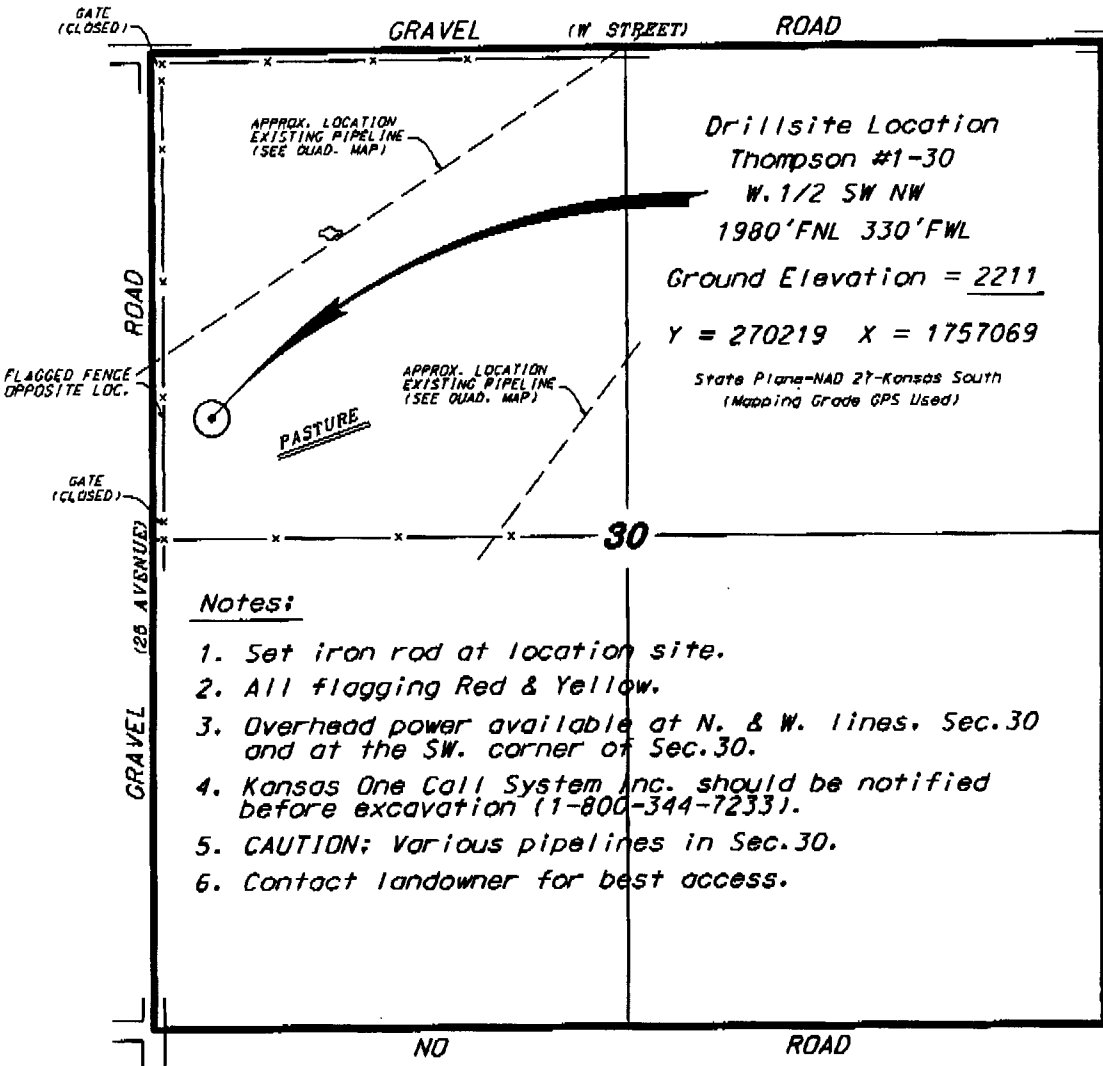
WITNESS:

BY:

Walter Don Thompson
Walter Don Thompson

[Signature]

**CASTELLI EXPLORATION, INC.
THOMPSON LEASE
NW. 1/4, SECTION 30, T30S, R18W
KIOWA COUNTY, KANSAS**

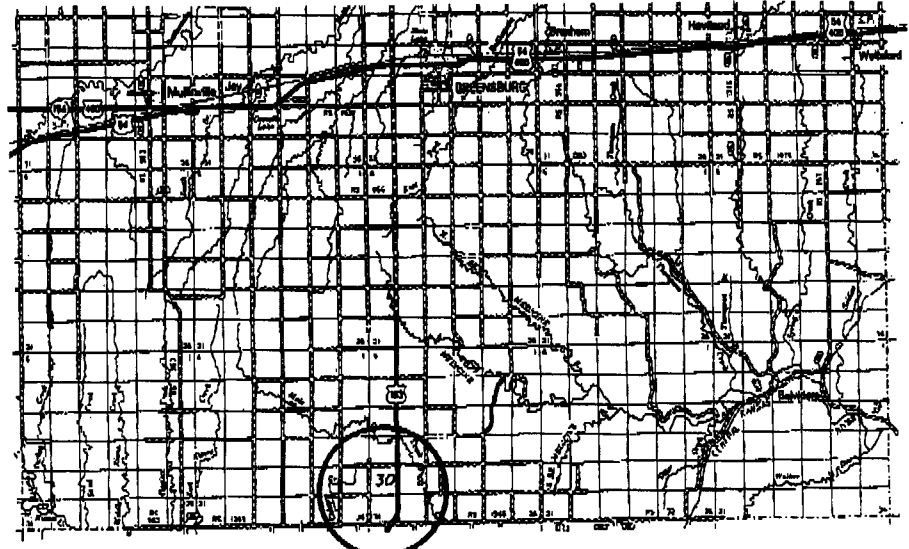


Drillsite Location
Thompson #1-30
W. 1/2 SW NW
1980' FNL 330' FWL
Ground Elevation = 2211
Y = 270219 X = 1757069
State Plane-NAD 27-Kansas South
(Mapping Grade GPS Used)

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N. & W. lines, Sec. 30 and at the SW. corner of Sec. 30.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 30.
6. Contact landowner for best access.

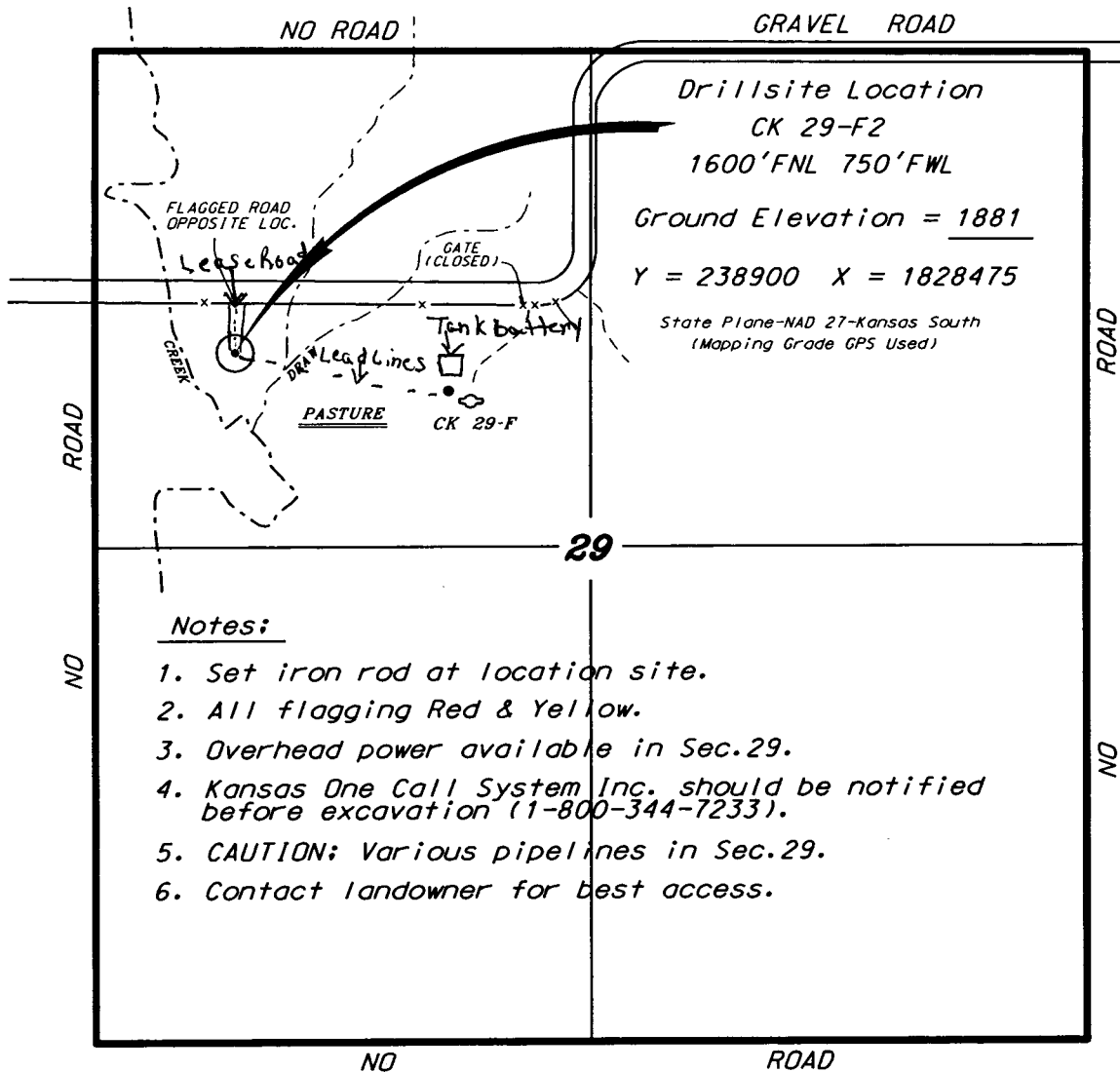
* Ingress and egress to location as shown on this plat is for usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



• 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 standards 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 accepting this plat and all other parties relying thereon agree to hold Central Kansas Drilled Services, Inc., its officers and employees harmless from all losses, costs and expenses and solid entries released from any liability from incidental or consequential damages.
• Elevations derived from National Geodetic Vertical Datum.

0018 March 8, 2012

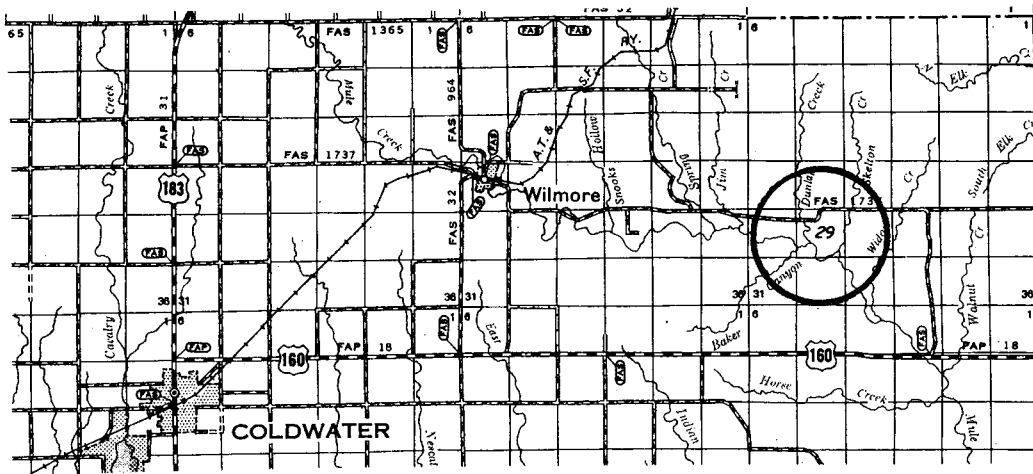
CASTELLI EXPLORATION, INC.
CK LEASE
NW. 1/4, SECTION 29, T31S, R16W
COMANCHE COUNTY, KANSAS



Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available in Sec.29.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.29.
6. Contact landowner for best access.

* Ingress and egress to location as shown on this plat 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 accepting this plat 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 entities released from any liability from incidental or consequential damages.

* Elevations derived from National Geodetic Vertical Datum.

Date February 27, 2012

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 13, 2012

Tisha love
Castelli Exploration, Inc.
6908 NW 112TH
OKLAHOMA CITY, OK 73162-2976

Re: Drilling Pit Application
CK #29-F 2
NW/4 Sec.29-31S-16W
Comanche County, Kansas

Dear Tisha love:

According to the drilling pit application referenced above, no earthen pits will be used at this location. Steel pits will be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through KOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

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.

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607.

DISPOSAL OF DIKE AND PIT CONTENTS.

(a)
pit

Each operator shall perform one of the following when disposing of dike or 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;
- (2) dispose of reserve pit waste down the annular space of a well completed 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

- (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area

on

lease

from

acreage owned by the same landowner or to another producing or unit operated by the same operator, if prior written permission from the landowner has been obtained; or

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