





1079769

**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

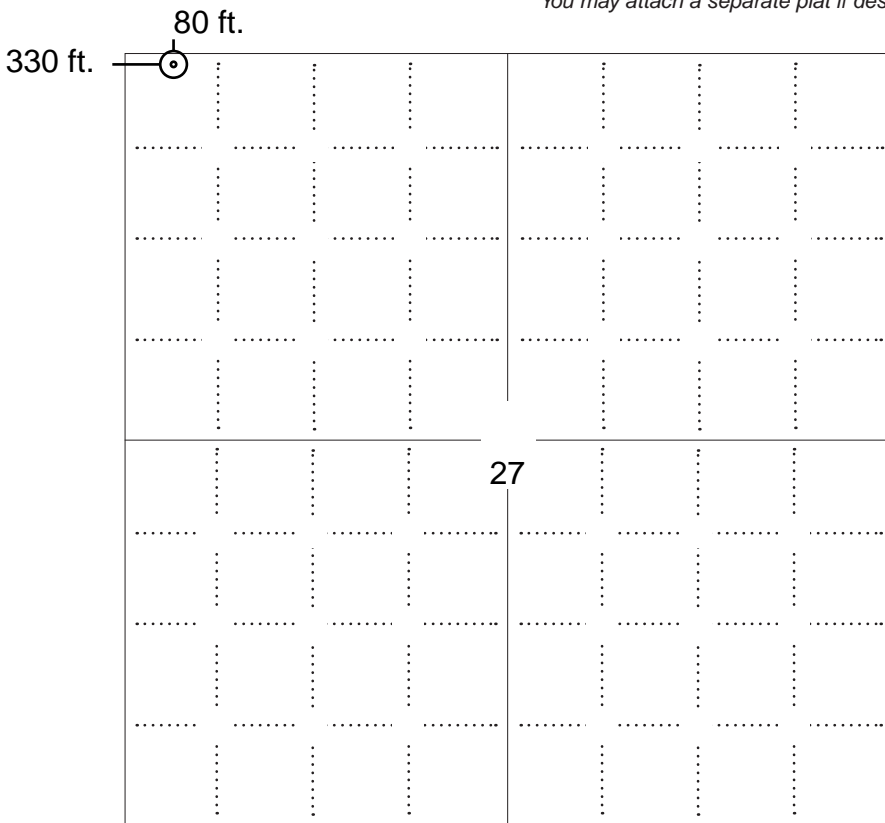
Is Section:  Regular or  Irregular

**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 1079769  
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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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><b>Submitted Electronically</b></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.

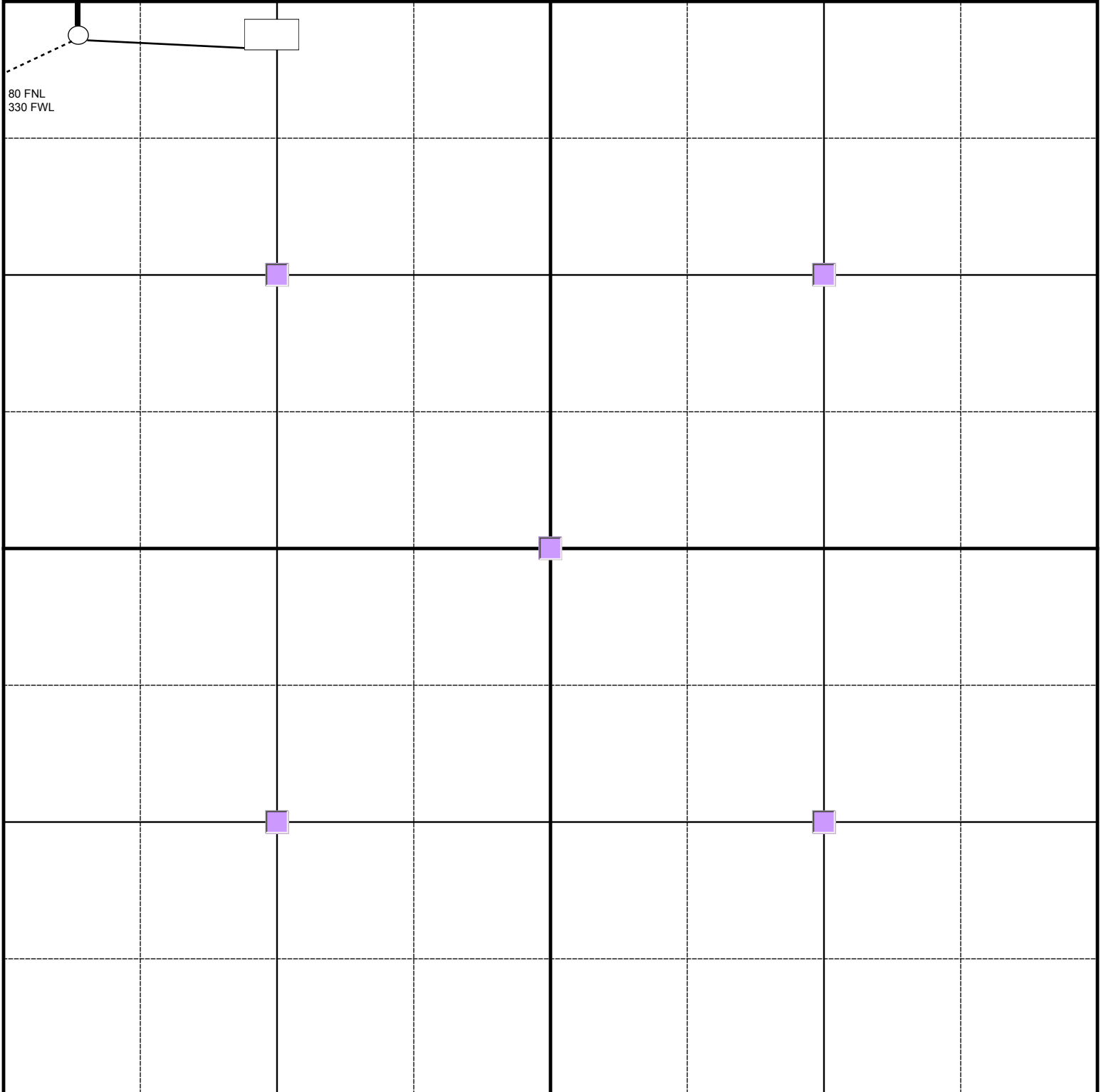
*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*


I Submitted Electronically

I

[Empty rectangular box for title or identification]

Township: \_\_\_\_\_ Range: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_



 Tank Battery       Road  
 Pipeline       Electric Line

# DECLARATION OF UNITIZATION

**THIS DECLARATION OF UNITIZATION** is made this 8<sup>th</sup> day of March, 2012, by Black Diamond Oil, Inc., hereinafter called Lessee, and Baird Oil Co, LLC, Jim R. Baird, LLC, and Hartman, LLC, hereinafter Baird Lessors, WITNESSETH:

**WHEREAS**, the parties hereto desire the Oil and Gas Leases shown on Exhibit A, attached hereto and incorporated herein by reference, be consolidated and unitized into one operating unit according to, and in compliance with, the Rules and Regulations of the Kansas Corporation Commission.

**AND WHEREAS**, the Lessors of the **Green A Lease** covering NW $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 27-8-19 and some of the Lessors of the **Green 22 C Lease** covering W $\frac{1}{2}$ SW $\frac{1}{4}$  Sec. 22-8-19 have previously authorized Lessee to pool and unitize said lease so that each Lessor would receive pro rata division of all royalties from the sale of oil or gas or either of them produced from the Unitized Area in the proportion that each Lessor's mineral interest bears to the total minerals within the Unitized Area as set forth in Exhibit A. The Baird Lessors do hereby consent to the unitization.

**NOW, THEREFORE**, in consideration of these premises and of the mutual benefits hereinafter contained, Lessee does hereby pool and unitize the oil and gas leases set forth in Exhibit A in accordance with the following terms and conditions:

1. By virtue of the power and authority granted by each landowner/lessor to the Lessee, Lessee declares for all purposes that the oil and gas leases set forth in Exhibit A are pooled and unitized forming the Unitized Area described therein. The Unitized Area shall be developed and operated as one leased tract regardless of how the same or the minerals thereunder may be divided in ownership, just as though such Unitized Area had originally been covered by a single oil and gas lease. The oil, gas or either of them in, under or produced from said Unitized Area is pooled and unitized and shall be treated as an entirety and the royalties thereon shall be paid ratably to the owners of each particular tract in such Unitized Area in accordance with Exhibit A and as their interest in each such particular tract may appear and according to the applicable royalty provisions and other terms of the oil and gas lease covering that particular tract.

2. Exhibit A sets forth and establishes the total acreage owned by each Lessor. Royalty, overriding royalty, and working interest payments will be based upon the decimal interest in production from said Unitized Area as is also shown thereon and on the Division Order when issued.

3. Any oil or gas well producing in commercial quantities under the terms of this agreement, or the oil and gas leases subject to this agreement, shall be deemed to be drilled under the terms of and located on the lands covered by each of said oil and gas

Received for record at 10:30 o'clock A M. on 11 day  
State of Kansas) guit 20 12, and recorded in Book 432 of \_\_\_\_\_  
Rooks County) Records at Page 14-19  
Register of Deeds Rosalee Smith

lease and operations for the drilling, reworking of or production of all oil or gas from any such well or wells shall operate to keep in force the entire oil and gas leasehold estate under each of said leases, just as though such well or wells were located on particular land covered by each particular lease. The drilling of or production from any well capable of producing oil or gas in commercial quantities upon the Unitized Area shall constitute full and complete development of each of the oil and gas leases hereby unitized.

4. This declaration and the oil and gas leasehold rights of Lessee under all leases covering the tracts of land within the Unitized Area shall be and remain in full force and effect so long as oil or gas or either of them can be produced in commercial quantities from any well in said Unitized Area and shall not be effected by the expiration of the primary term of any of said leases.

5. This declaration and all of the terms and conditions hereof shall be considered as covenants running with the land and shall likewise extend to and be binding upon the heirs, successors, and assigns of all parties hereto.

**IN WITNESS WHEREOF**, the Lessee has executed this Declaration of Unitization as of the date first above written.

**BLACK DIAMOND OIL, INC.**

Attest: *Dena Vehige*  
Dena Vehige, Secretary

*Kenneth Vehige*  
Kenneth Vehige, President

*Jim R. Baird*  
Baird Oil Co., LLC by Jim R. Baird, president

*Jim R. Baird*  
Jim R. Baird, LLC by Jim R. Baird Member

*Robert B. Hartman*  
Hartman, LLC by Robert B. Hartman, Member

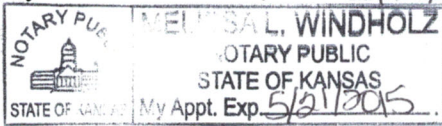
ACKNOWLEDGMENT FOR CORPORATION

STATE OF KANSAS )  
 ) ss:  
COUNTY OF ELLIS )

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of March, 2012, by Kenneth Vehige, President of Black Diamond Oil, Inc., a Kansas corporation, on behalf of the corporation.

My commission expires: 5/21/2015

Mei-Lisa L. Windholz  
Notary Public



ACKNOWLEDGMENT

STATE OF KANSAS )  
 ) ss:  
COUNTY OF PHILLIPS )

The foregoing instrument was acknowledged before me this 26 day of March, 2012, by Jim R. Baird, President of Baird Oil Co., LLC, a Kansas limited liability company, on behalf of the company.

My commission expires: 3/29/2015

Kimberly L. Meili  
Notary Public



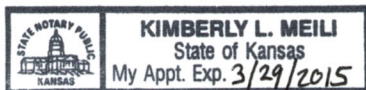
ACKNOWLEDGMENT

STATE OF KANSAS )  
 ) ss:  
COUNTY OF PHILLIPS )

The foregoing instrument was acknowledged before me this 26 day of March, 2012, by Jim R. Baird, Member of Jim R. Baird, LLC, a Kansas limited liability company, on behalf of the company.

My commission expires: 3/29/2015

Kimberly L. Meili  
Notary Public





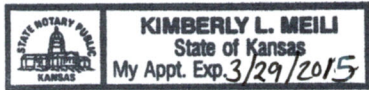
ACKNOWLEDGMENT

STATE OF KANSAS )  
 ) ss:  
COUNTY OF PHILLIPS )

The foregoing instrument was acknowledged before me this 26 day of March, 2012, by Robert B. Hartman, Member of Hartman, LLC, a Kansas limited liability company, on behalf of the company.

My commission expires: 3/29/2015

Kimberly L Meili  
Notary Public



## EXHIBIT A

## UNIT AREA

**A FIVE (5) ACRE TRACT LOCATED IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW $\frac{1}{4}$ SW $\frac{1}{4}$ ) OF SECTION 22, and AN SIX AND ONE-HALF (6.5) ACRE TRACT LOCATED IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER (NW $\frac{1}{4}$ NW $\frac{1}{4}$ ) OF SECTION 27, ALL IN TOWNSHIP 8 SOUTH, RANGE 19 WEST OF THE SIXTH P.M., ROOKS COUNTY, KANSAS, Described as follows: Beginning at the Southwest Corner of SW $\frac{1}{4}$  Sec. 22-8-19, thence North 330 feet, thence East 660 feet, thence South 760 feet into the NW $\frac{1}{4}$  Sec. 27-8-19, thence West 660 feet, thence North 430 feet to the place of beginning and containing 11.5 acres, more or less.**

**OIL AND GAS LEASES POOLED AND UNITIZED****1. Green A Leases:**

a. Oil and Gas Lease dated April 25, 2006, recorded in Book 359, pages 137-8, from Maxine Green, single Lessor, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

**A SIX AND ONE-HALF (6.5) ACRE TRACT IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER (NW $\frac{1}{4}$ NW $\frac{1}{4}$ ) OF SECTION 27, TOWNSHIP 8 SOUTH, RANGE 19 WEST OF THE SIXTH P.M., Rooks County, Kansas, Beginning at the Northwest Corner of said NW $\frac{1}{4}$ NW $\frac{1}{4}$ , thence East 660 feet, thence South 430 feet, thence West 660 feet, thence North 430 feet to the place of beginning.**

b. Oil and Gas Lease dated April 25, 2006, recorded in Book 359, pages 139-40, from Alan Green and Vicki Green, his wife Lessors, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

**A SIX AND ONE-HALF (6.5) ACRE TRACT IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER (NW $\frac{1}{4}$ NW $\frac{1}{4}$ ) OF SECTION 27, TOWNSHIP 8 SOUTH, RANGE 19 WEST OF THE SIXTH P.M., Rooks County, Kansas, Beginning at the Northwest Corner of said NW $\frac{1}{4}$ NW $\frac{1}{4}$ , thence East 660 feet, thence South 430 feet, thence West 660 feet, thence North 430 feet to the place of beginning.**

**2. Green 22 C Leases:**

a. Oil and Gas Lease dated March 25, 2009, recorded in Book 395, page 210, from Maxine Green, single Lessor, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

**A FIVE (5) ACRE TRACT IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>) OF SECTION 22, TOWNSHIP 8 SOUTH, RANGE 19 WEST OF THE SIXTH P.M.**, Rooks County, Kansas, Beginning at the Southwest Corner of said SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, thence North 330 feet, thence East 660 feet, thence South 330 feet, thence West 660 feet to the place of beginning.

b. Oil and Gas Lease dated April 25, 2009, recorded in Book 401, page 298, from Alan Green and Vicki Green, his wife Lessors, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

**A FIVE (5) ACRE TRACT IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>) OF SECTION 22, TOWNSHIP 8 SOUTH, RANGE 19 WEST OF THE SIXTH P.M.**, Rooks County, Kansas, Beginning at the Southwest Corner of said SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, thence North 330 feet, thence East 660 feet, thence South 330 feet, thence West 660 feet to the place of beginning.

c. Oil and Gas Lease dated August 8, 2006, recorded in Book 361, page 587, from Baird Oil Co., LLC; Jim R. Baird, LLC and Hartman, LLC, Lessors, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

**A FIVE (5) ACRE TRACT IN THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>) OF SECTION 22, TOWNSHIP 8 SOUTH, RANGE 19 WEST OF THE SIXTH P.M.**, Rooks County, Kansas, Beginning at the Southwest Corner of said SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, thence North 330 feet, thence East 660 feet, thence South 330 feet, thence West 660 feet to the place of beginning.

**TRACT PARTICIPATION**

Each of the above tracts will participate on a 54.5/45.5 basis in the production of oil, gas and other minerals from the Unit Area. Green A Lease = 54.5% and Green 22 C Lease = 45.5%.

**ROYALTY PARTICIPATION**

Maxine Green	.0815527 Royalty
Alan Green	.0254907 Royalty
Baird Oil Company, LLC	.0125696 Royalty
Jim R. Baird, LLC	.0026935 Royalty
Hartman, LLC	.0026935 Royalty

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

April 30, 2012

Kenneth Vehige  
Black Diamond Oil, Inc.  
PO BOX 641  
HAYS, KS 67601-0641

Re: Drilling Pit Application  
Maxine 1  
NW/4 Sec.27-08S-19W  
Rooks County, Kansas

Dear Kenneth Vehige:

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 practical after drilling operations have ceased. KEEP PITS away from draw/drainage.

**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 (785) 625-0550 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 (785) 625-0550.