

| For KCC | Use: | | | |
|-----------------|--------|--|--|--|
| Effective Date: | | | | |
| District # | · | | | |
| SGA? | Yes No | | | |

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1080201

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

| Expected Spud Date: | Spot Description: | | | | |
|---|--|--|--|--|--|
| month day year | Sec Twp S. R | | | | |
| OPERATOR: License# | (O/O/O/O) feet from N / S Line of Section | | | | |
| Name: | 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) | | | | |
| City: | County: | | | | |
| Contact Person: | Lease Name: Well #: | | | | |
| Phone: | Field Name: | | | | |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? | | | | |
| Name: | Target Formation(s): | | | | |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary line (in footage): | | | | |
| | Ground Surface Elevation:feet MSL | | | | |
| Oil Enh Rec Infield Mud Rotary | Water well within one-quarter mile: | | | | |
| Gas Storage Pool Ext. Air Rotary | Public water supply well within one mile: | | | | |
| Disposal Wildcat Cable Seismic ; # of Holes Other | Depth to bottom of fresh water: | | | | |
| Other: | Depth to bottom of usable water: | | | | |
| | Surface Pipe by Alternate: I II | | | | |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: | | | | |
| Operator: | Length of Conductor Pipe (if any): | | | | |
| Well Name: | Projected Total Depth: | | | | |
| Original Completion Date: Original Total Depth: | | | | | |
| | Water Source for Drilling Operations: | | | | |
| 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 #: | Viii Golds be taken: | | | | |
| | If Yes, proposed zone: | | | | |
| AF | FIDAVIT | | | | |
| The undersigned hereby affirms that the drilling, completion and eventual p | ugging of this well will comply with K.S.A. 55 et. seq. | | | | |
| It is agreed that the following minimum requirements will be met: | | | | | |
| The appropriate district office will be notified before well is either plug If an ALTERNATE II COMPLETION, production pipe shall be cement Or pursuant to Appendix "B" - Eastern Kansas surface casing order # | t by circulating cement to the top; in all cases surface pipe shall be set ne underlying formation. Strict office on plug length and placement is necessary prior to plugging; aged or production casing is cemented in; and from below any usable water to surface within 120 DAYS of spud date. 133,891-C, which applies to the KCC District 3 area, alternate II cementing | | | | |
| mast be completed within 50 days of the spud date of the well shall t | e plugged. In all cases, NOTIFY district office prior to any cementing. | | | | |
| ubmitted Electronically | Remember to: | | | | |
| ubmitted Electronically For KCC Use ONLY | Remember to: - File Certification of Compliance with the Kansas Surface Owner Notification | | | | |
| · | Remember to: - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; | | | | |
| For KCC Use ONLY API # 15 | 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; | | | | |
| For KCC Use ONLY API # 15 Conductor pipe requiredfeet | 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; | | | | |
| API # 15feet Conductor pipe requiredfeet Minimum surface pipe requiredfeet per ALTII | 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; | | | | |
| For KCC Use ONLY API # 15 - Conductor pipe requiredfeet Minimum surface pipe requiredfeet per ALTI II Approved by: | 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; | | | | |
| For KCC Use ONLY API # 15 | 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; | | | | |

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

Spud date: _

 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: | | |
| | | |

Side Two



| For KCC Use ONLY | |
|------------------|---|
| API # 15 | _ |

Operator

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.

Location of Well: County:

| Operator | | | | | | | | ocation of vi | on: oounty | |
|---------------------------------------|--|---|------|--|-----------------|------------------|-----------|----------------|--|-----------------|
| Lease: | | | | | | | | | feet from N / S | Line of Section |
| Well Number: | | | | | feet from E / W | Line of Section | | | | |
| Field: | | | | | | _ s | ec | Twp S. R E | W | |
| Number of Acres attributable to well: | | | – Is | Is Section: Regular or Irregular | | | | | | |
| | | Ī | | | | | | | r used: NE NW SE SW | oundary. |
| | | | | | _ | | | | lary line. Show the predicted locations of as Surface Owner Notice Act (House Bill 2032 | ?). |
| | | | 66 | 0 ft. | You m | ay attach a | a separat | e plat if desi | red. | |
| .=oo. | | | | | | : : : : | | : | LEGEND | |
| 730 ft | | | • | | | | | | O Well Location Tank Battery Location Pipeline Location Electric Line Location | n |
| | | | | | | | | : : : | Lease Road Locatio | n |
| | | | | 1 | 2 | | : | | | |
| | | | | | | | | | 9 | 1980' FSL |
| | | | | ······································ | | | : : | : | | |
| | | | • | | | | : | | SEWARD CO. 3390' FEL | |

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.

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

- 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 OIL & GAS CONSERVATION DIVISION

080201

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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A | Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls) Area? Yes No Artificial Liner? | | SecTwp R East West Feet from North / South Line of Section Feet from East / West Line of Section County County mg/l (For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used? | |
| Yes No | Yes N | lo | · · | |
| Pit dimensions (all but working pits): | Length (fee | et) | Width (feet)N/A: Steel Pits | |
| If the pit is lined give a brief description of the li material, thickness and installation procedure. | em ground level to dee | Describe proce | dures for periodic maintenance and determining and special monitoring. | |
| Distance to nearest water well within one-mile of | of pit: | Depth to shallo | west fresh water feet. mation: | |
| feet Depth of water well | feet | measured | well owner electric log KDWR | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Work | over and Haul-Off Pits ONLY: | |
| Producing Formation: | | Type of materia | ll utilized in drilling/workover: | |
| Number of producing wells on lease: | | Number of working pits to be utilized: | | |
| Barrels of fluid produced daily: | | Abandonment p | procedure: | |
| Does the slope from the tank battery allow all s flow into the pit? Yes No | pilled fluids to | • | e closed within 365 days of spud date. | |
| Submitted Electronically | | | | |
| | KCC (| OFFICE USE O | NLY Steel Pit RFAC RFAS | |
| Date Received: Permit Numl | ber: | Permi | t Date: Lease Inspection: Yes No | |



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1080201

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

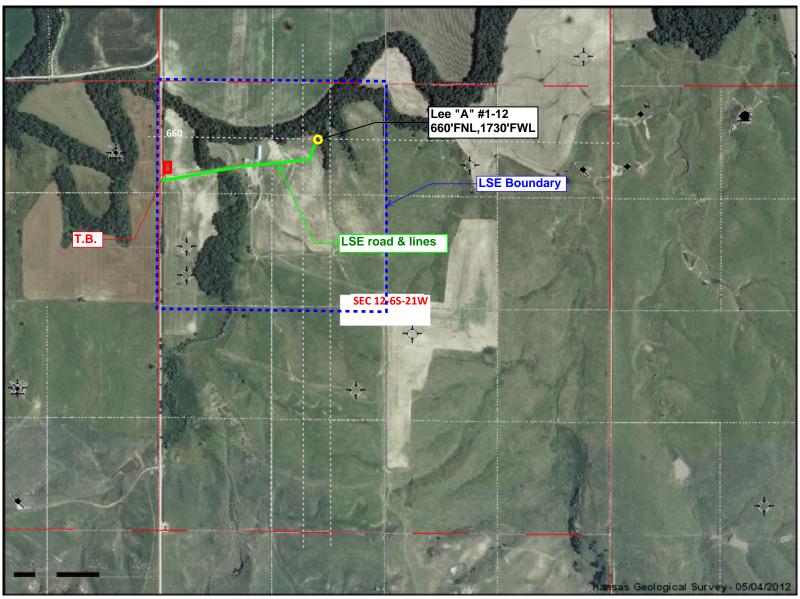
CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

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 (CB-1) | Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application) | | | | |
|---|--|--|--|--|--|
| OPERATOR: License # | Well Location: | | | | |
| Name: | SecTwpS. R EastWest County: Lease Name: Well #: If filling a Form T-1 for multiple wells on a lease, enter the legal description of | | | | |
| Address 1: | | | | | |
| Address 2: | | | | | |
| City: State: Zip:+ | | | | | |
| Contact Person: | the lease below: | | | | |
| Phone: () Fax: () | | | | | |
| Email Address: | | | | | |
| Surface Owner Information: | | | | | |
| Name: When filing a Form T-1 involving multiple surface owners, attach | | | | | |
| 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 county, and in the real estate property tax records of the county treasurer. | | | | |
| Address 2: | | | | | |
| City: | | | | | |
| the KCC with a plat showing the predicted locations of lease roads, tank | dic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat n the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. | | | | |
| ☐ I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s). | cknowledge that, because I have not provided this information, the vner(s). To mitigate the additional cost of the KCC performing this | | | | |
| task, I acknowledge that I am being charged a \$30.00 handling If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP- | fee with this form. If the fee is not received with this form, the KSONA-1 | | | | |
| Submitted Electronically | | | | | |

Lee "A" #1-12



660FNL, 1730FWL Sec 12-6S-21W

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/

Sam Brownback, Governor

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner

May 07, 2012

Nicholas D. Hess Cobalt Energy LLC 115 S. BELMONT #12 PO BOX 8037 WICHITA, KS 67208

Re: Drilling Pit Application Lee "A" 1-12 NW/4 Sec.12-06S-21W Graham County, Kansas

Dear Nicholas D. Hess:

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.