For KCC Use:

Eff	e	ct	iv	е	Date

District	±	
DISTINCT	TT .	

SGA?	Yes	No

## 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

1081106

## NOTICE OF INTENT TO DRILL

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

Form KSONA-1, Certification of Com	pliance with	the Kansas	Surface Owner	Notification Act, MUST	be submitted with this form

Expected Spud Date:	Spot Description:
month day year	Sec Twp S. R E □ W
OPERATOR: License#	feet from C E / C W Line of Section
Name:	Is SECTION: Regular Irregular?
Address 1:	
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	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:         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 E	Electronically
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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:	

#### 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:

ш



Section corner used: NE NW SE SW

For KCC Use ONLY

API # 15 - \_\_\_\_

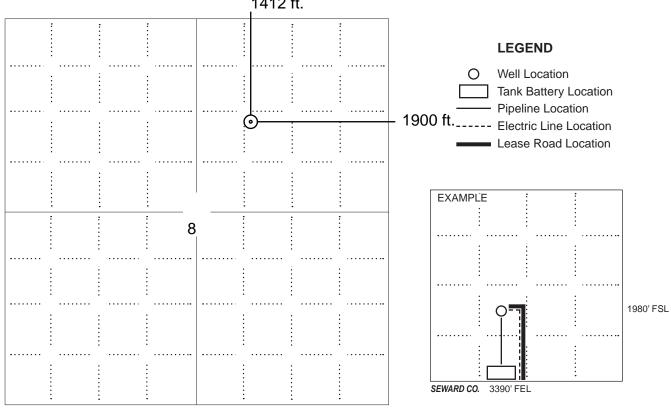
## IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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. 1412 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

1081106 Form must be Typed

Form CDP-1 May 2010

# **APPLICATION FOR SURFACE PIT**

	Su	bmit in Duplicat	e	
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)		 SecTwp R Feet from North / Feet from East /	East West South Line of Section West Line of Section County mg/l
Is the bottom below ground level?	Area? Yes No Artificial Liner? Yes No		(For Emergency Pits and How is the pit lined if a plastic liner is	Settling Pits only)
Pit dimensions (all but working pits): Depth from	,	Width (feet) (feet)	N/A: Steel Pits	
If the pit is lined give a brief description of the lir material, thickness and installation procedure.		dures for periodic maintenance and detector	ərmining	
Distance to nearest water well within one-mile o	f pit:	Depth to shallor Source of inforr	west fresh water fe nation:	et.
feet Depth of water well	feet	measured	well owner electric l	og KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation:	Drilling, Workover and Haul-Off Pits ONLY: 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?		Drill pits must b	e closed within 365 days of spud date.	
Submitted Electronically				

		KCC OFFICE USE ONLY	Liner	Steel Pit	RFAC RFAS
Date Received:	_ Permit Number:	Permit Date:		Lease Inspe	ection: Yes No

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:          Zip:            Contact Person:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:		
Phone: ( ) Fax: ( ) Email Address:			
Surface Owner Information:			
Name:	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.		
Address 1:			
Address 2:			
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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#### AMENDMENT TO OIL AND GAS LEASES

WHEREAS, ROBERT L. KUHN, K 5 OIL, LLC, a limited liability company, MARCELENE R. PROFFITT and RACE E. PROFFITT, CO-TRUSTEES OF THE MARCELENE R. PROFFITT TRUST DATED June 8, 1993 (restated 1997) and DIAMOND ENERGY, INC., a Kansas corporation, are owners of mineral interests in the following described property:

Northeast Quarter (NE/4) of Section Eight (8), Township Twenty (20) South, Range Nine (9) West, Rice County, Kansas; and,

WHEREAS, the above described property is subject to the following oil and gas leases:

Lease A:

Oil and gas lease dated March 30, 1929, from Ralph P. Proffitt and Bess J. Proffitt, his wife, lessors, to The Independent Oil & Gas Company, lessee, recorded May 21, 1929, in Book 19 of Miscellaneous Records, page 440, in the office of the Register of Deeds of Rice County, Kansas, insofar as said lease covers the South Half of the Southwest Quarter of the Northeast Quarter (S/2 SW/4 NE/4) and the South Half of the North Half of the Southwest Quarter of the Northeast Quarter (S/2 N/2 SW/4 NE/4) of Section Eight (8), Township Twenty (20) South, Range Nine (9) West, Rice County, Kansas, containing 30 acres, more or less

#### Lease B:

Oil and gas lease dated March 3, 1978, from Bess J. Proffitt, a widow; Richard L. Proffitt and Marcelene Proffitt, his wife, lessors, to Pioneer Operations Co., Inc., lessee, recorded March 14, 1978, in Book 83, page 9, in the office of the Register of Deeds of Rice County, Kansas, insofar as said lease covers the East Half of the Northeast Quarter (E/2 NE/4), the Northwest Quarter of the Northeast Quarter (NW/4 NE/4) and the North Half of the North Half of the Southwest Quarter of the Northeast Quarter (N/2 N/2 SW/4 NE/4) of Section Eight (8), Township Twenty (20) South, Range Nine (9) West, Rice County, Kansas, containing 130 acres, more or less

WHEREAS, the above named parties wish to amend certain terms and conditions of the oil and gas leases described above and the parties wish to put the terms of the amendments in writing.

NOW, THEREFORE, in exchange for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The said parties hereby amend the terms and conditions of the oil and gas leases described above in the following respects:

The oil and gas leases described above as Leases A and B should be modified and additional paragraphs should be added to the terms of the leases as follows:

"Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units of 10 acres each in the event of an oil well. The unit shall be square in size with the well being located in the center of the unit. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."

"However, the foregoing, notwithstanding, in the event a portion or portions of the leased premises is pooled with other land so as to form a pooled unit or units, operations on such unit or units will not maintain this lease in force as to the land not included in such unit or units. This lease may be maintained in force as to any land covered hereby and included in such unit or units in any manner provided for herein. Upon the occurrence of any partial termination of this lease, Lessee shall have and expressly reserves, an easement, on, over, through and under all released tracts as shall be reasonably necessary for rights of ingress and egress, to and from the unit or units and Lessee shall not be required to relocate any pipelines or equipment used in connection with production of oil or gas from the leased premises."

Page 2 - Amendment to Oil and Gas Leases

2. Except as modified hereinabove, the original terms of the oil and gas leases described hereinabove shall remain in full force and effect.

3. This Amendment may be signed in counterpart with the same effect as if all of the parties to this Amendment signed the same document.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first above written.

Robert L. Kuhn

K 5 OIL, LLC

Βv Member

nember Curtis W. Kuhn

Marcelene R. Proffitt, Co-Trustee of the Marcelene R. Proffitt Trust dated June 8, 1993 (restated 1997)

Race E. Proffitt, Co-Trustee of the Marcelene , R. Proffitt Trust dated June 8, 1993 (restated 1997)

> NOTARY PUBLIC - State of Kansas CARMEN SCHMITT My Appt. Exp. 3-12-15

DIAMOND ENERGY, INC.

Debbie S. Schmitt, President

# STATE OF SOUTH DAKOTA, COUNTY OF <u>عدين</u>ss:

The forgoing instrument was acknowledged before me this <u>24</u> day of May, 2012, by Robert L. Kuhn.

My appointment expires: ・3-・2 こ~ いち	Notary Public	
	NOTARY PUBLIC - State of Kansas CARMEN SCHMITT My Appl. Exp. 3 - 2 - 1 5	
STATE OF KANSAS, COUNTY OF BARTON, ss:		
The forgoing instrument was acknowledged before me this <u>2.3</u> day of May, 2012, by <u>Synthese W. Kubur</u> , Member of K 5 Oil, LLC.		
My appointment expires: 3 22-2015	Notary Public	

STATE OF KANSAS, COUNTY OF RENO, ss:

The forgoing instrument was acknowledged before me this \_\_\_\_\_ day of May, 2012, by Marcelene R. Proffitt, Co-Trustee of the Marcelene R. Proffitt Trust dated June 8, 1993 (restated 1997).

My appointment expires;

Notary Public

API # 15 - \_\_\_\_

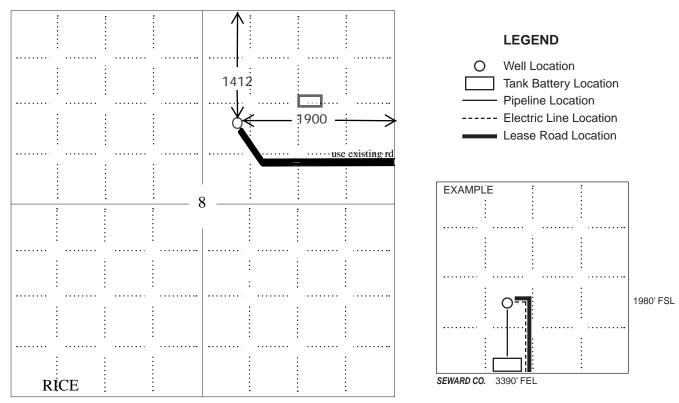
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In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

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.



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

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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

May 31, 2012

Robin L. Austin Rama Operating Co., Inc. 101 S MAIN ST STAFFORD, KS 67578-1429

Re: Drilling Pit Application API 15-159-22665-00-00 Proffitt 6-8 NE/4 Sec.08-20S-09W Rice County, Kansas

Dear Robin L. Austin:

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.

# 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 (316) 630-4000 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 (316) 630-4000.