For KCC Use:

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District	#	
DISTINCT	Ħ	

Yes No SGA?

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

1081469

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

Form KSONA-1, Certification of Com	pliance with	the Kansas	Surface Owner No	tification Act, MUST	be submitted with this form

Expected Spud Date:	Spot Description:
month day year	(○/○/○/○) ⁻ Sec Twp S. R E □ W
OPERATOR: License#	
Name:	
Address 1:	Is SECTION: Regular Irregular?
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): Ground Surface Elevation: feet MSL Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No Depth to bottom of fresh water:
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 Electronically

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT. II
Approved by:	
This authorization expires:	tarted within 12 months of approval date.)
Spud date: Ag	gent:

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 Operator or Agent:



For KCC Use ONLY

API # 15 - ____

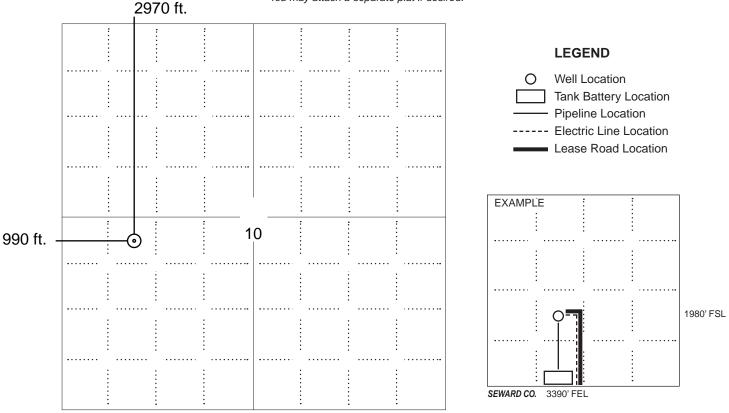
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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:	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.

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

1081469

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 No Yes No Pit dimensions (all but working pits): ___Length (feet) _____Width (feet) 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	Liner	Steel Pit RFAC RFAS
Date Received:	_ Permit Number:	Permit Date:		Lease Inspection: Yes No

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1081469

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		
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: 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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API # 15 -

Side Two

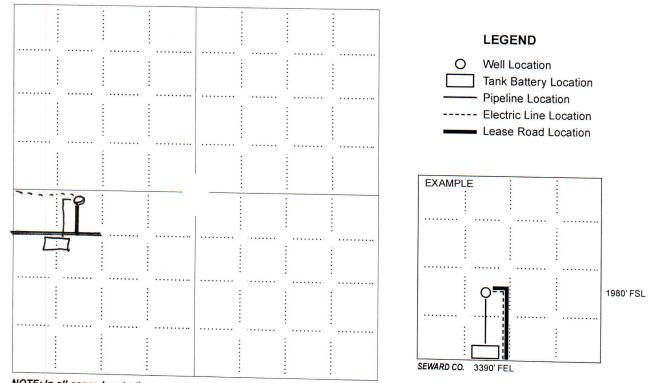
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator: Kantor Oil Co., LLC	Location of Well: County: Reno		
Lease: Carmichael A Well Number: 2	2,970 feet from X N / S Line of Section		
Field: Burrton	990feet from E / W Line of Section Sec. 10Twp. 24S. R. 4E K W		
Number of Acres attributable to well: <u>10</u> QTR/QTR/QTR/QTR of acreage: <u>NE _ NW _ SW</u>	Is Section: Regular or Irregular		
	If Section is Irregular, locate well from nearest corner boundary. Section corner used: NENNWSESSW		

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,
- 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;
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Minimum Surface Casing Requirements--Appendix A

Definition of conductor pipe

A large diameter steel casing, having a minimum diameter of 12 inches, installed in an oil-and-gas-related well to protect fresh and usable water and stabilize unconsolidated materials when drilling in an area where the possibility of lost circulation zones exist at deeper depths.

Addition to minimum surface casing table

Within the sections listed below in this Appendix, the following rule shall be used for drilling any oil, gas, injection, disposal or service well: Conductor pipe shall be installed as soon as drilling penetrates twenty feet into the consolidated formation underlying the unconsolidated material. The annular space between the conductor pipe and the borehole shall be cemented from bottom to ground surface.

Conductor pipe, in addition to having a minimum diameter of 12 inches, shall be of sufficient size that if a lost circulation zone is encountered, the standard surface pipe can be installed through that zone. In areas where instability occurs within the unconsolidated materials, a pipe of sufficient diameter must be utilized to stabilize that portion of the borehole so that the minimum required amount of conductor pipe can be installed 20 feet into the underlying formation.

In those areas where the Appendix A list of sections includes sites that do not appear to have the unconsolidated material, a sufficient length of conductor pipe shall be on hand at the drilling site. In all cases, if unconsolidated material is encountered, conductor pipe shall be installed. If unconsolidated material is not encountered, the minimum required surface pipe shall be installed.

Section designated as having Wellington Aquifer with Hutchinson Salt Member present

Twp. 13S R. 3W Sec. 4, 5, 8-10, 15-17, 20-23, 25-29, 32-36

Twp. 14S R. 3W Sec. 1-5, 8-17, 20-29, 32-36

Twp. 15S R. 3W Sec. ALL

Twp. 15S R. 2W Sec. 6, 7, 18, 19, 30, 31

Twp. 16S R. 4W Sec. 1, 12, 13, 24, 25, 36

Twp. 16S R. 3W Sec. 4-9, 18, 19, 30, 31

Twp. 17S R. 4W Sec. 1, 12-14, 23-27, 34-36

Twp. 17S R. 3W Sec. 4-10, 16-20, 29-32

Twp. 18S R. 4W Sec. 1-4, 8-17, 20-29, 32-36

http://www.kcc.ks.gov/conservation/casing/appendixA.htm

- Twp. 18S R. 3W Sec. 6, 7, 18, 19, 30, 31
- Twp. 19S R. 4W Sec. 1-5, 8-17, 20-29, 32-36
- Twp. 19S R. 3W Sec. 6, 7, 18, 19, 30, 31
- Twp. 20S R. 4W Sec. 1-5, 9-16, 21-28, 33-36
- Twp. 20S R. 3W Sec. 30, 31
- Twp. 21S R. 4W Sec. 1-5, 8-17, 20-36
- Twp. 21S R. 3W Sec. 6, 7, 18, 19, 30, 31
- Twp. 22S R. 5W Sec. 1, 12, 13, 24, 25, 36
- Twp. 22S R. 4W Sec. ALL
- Twp. 22S R. 3W Sec. 6-8, 17-20, 28-33
- Twp. 23S R. 5W Sec. 1, 11-14, 23-26-35, 36
- Twp. 23S R. 4W Sec. ALL
- Twp. 23S R. 3W Sec. 4-9, 16-21, 28-33
- Twp. 24S R. 5W Sec. 1, 2, 12
- Twp. 24S R. 4W Sec. 1-18, 20-27, 35, 36
- Twp. 24S R. 3W Sec. ALL except 1, 2, 12
- Twp. 24S R. 2W Sec. 19, 20, 27-35
- Twp. 25S R. 4W Sec. 1
- Twp. 25S R. 3W Sec. ALL except 18, 19, 29-33
- Twp. 25S R. 2W Sec. ALL
- Twp. 25S R. 1W Sec. 7, 17-21, 27-35
- Twp. 26S R. 3W Sec. 1, 2, 12, 13
- Twp. 26S R. 2W Sec. ALL except 1, 12, 11, 12
- Twp. 26S R. 1W Sec. ALL
- Twp. 26S R. 1E Sec. 18, 19, 29-32
- Twp. 27S R. 2W Sec. 1-5, 8-17, 21-28, 33-36

- Twp. 27S R. 1E Sec. 5-9, 16-21, 28-33
- Twp. 28S R. 2W Sec. 1-3, 10-15, 22-27, 35, 36
- Twp. 28S R. 1W Sec. ALL (36 No salt)
- Twp. 28S R. 1E Sec. 4-10, 15-22, 26-35
- Twp. 29S R. 2W Sec. 1, 2, 11-14, 23-26, 35, 36
- Twp. 29S R. 1W Sec. ALL
- Twp. 29S R. 1E Sec. ALL except 1
- Twp. 30S R. 1W Sec. ALL except 18-20, 39-32
- Twp. 30S R. 1E Sec. ALL
- Twp. 30S R. 2E Sec. 6, 7, 17-21, 28-34
- Twp. 31S R. 1W Sec. 1-3, 10-14, 23-26, 35, 36
- Twp. 31S R. 1E Sec. ALL except 28, 29, 32, 33, 34
- Twp. 31S R. 2E Sec. 3-11, 14-22, 28-31
- Twp. 32S R. 1E Sec. 1
- Twp. 32S R. 2E Sec. 5, 6
- Twp. 33S R. 1E Sec. 31, 32
- Twp. 34S R. 1E Sec. 1-3, 11-13
- Twp. 34S R. 2E Sec. 6-8, 17-20

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802 Kansas Corporation Commission

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

Larry Ressler Kantor Oil Company, LLC 15 W 6TH ST STE 2601 TULSA, OK 74119-5413

Re: Drilling Pit Application Carmichael A 2 SW/4 Sec.10-24S-04W Reno County, Kansas

Dear Larry Ressler:

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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again 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.