



1084074

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

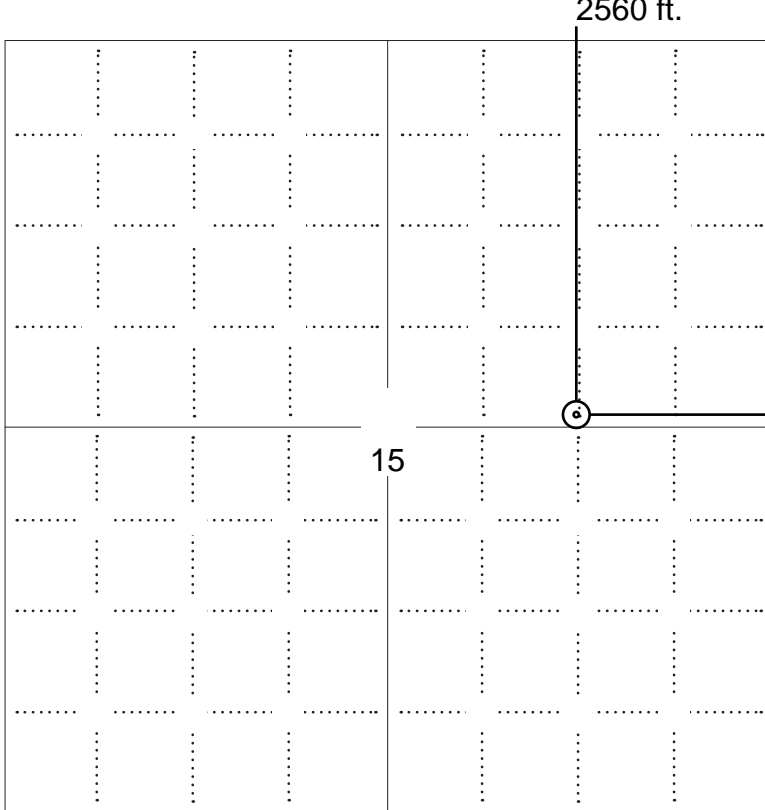
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

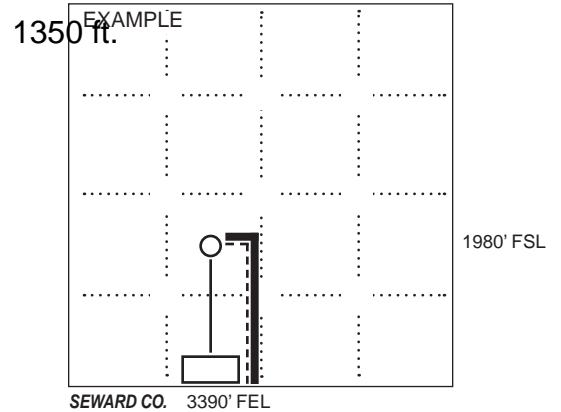
PLAT

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 1084074
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)	Sec. _____ Twp. _____ R. _____ <input type="checkbox"/> East <input type="checkbox"/> West _____ Feet from <input type="checkbox"/> North / <input type="checkbox"/> South Line of Section _____ Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section _____ County
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



Pro-Stake LLC
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



n053112-q
 PLAT NO.

10072
 INVOICE NO.

Berexco LLC

OPERATOR

Evel-Hagans Unit #1

LEASE NAME

Ness County, KS

COUNTY

15 16s 26w
 Sec. Twp. Rng.

2560' FNL -1350' FEL

LOCATION SPOT

SCALE: 1" = 1000'
 DATE: June 5th, 2012
 MEASURED BY: Luke R.
 DRAWN BY: Luke R.
 AUTHORIZED BY: Dana W.

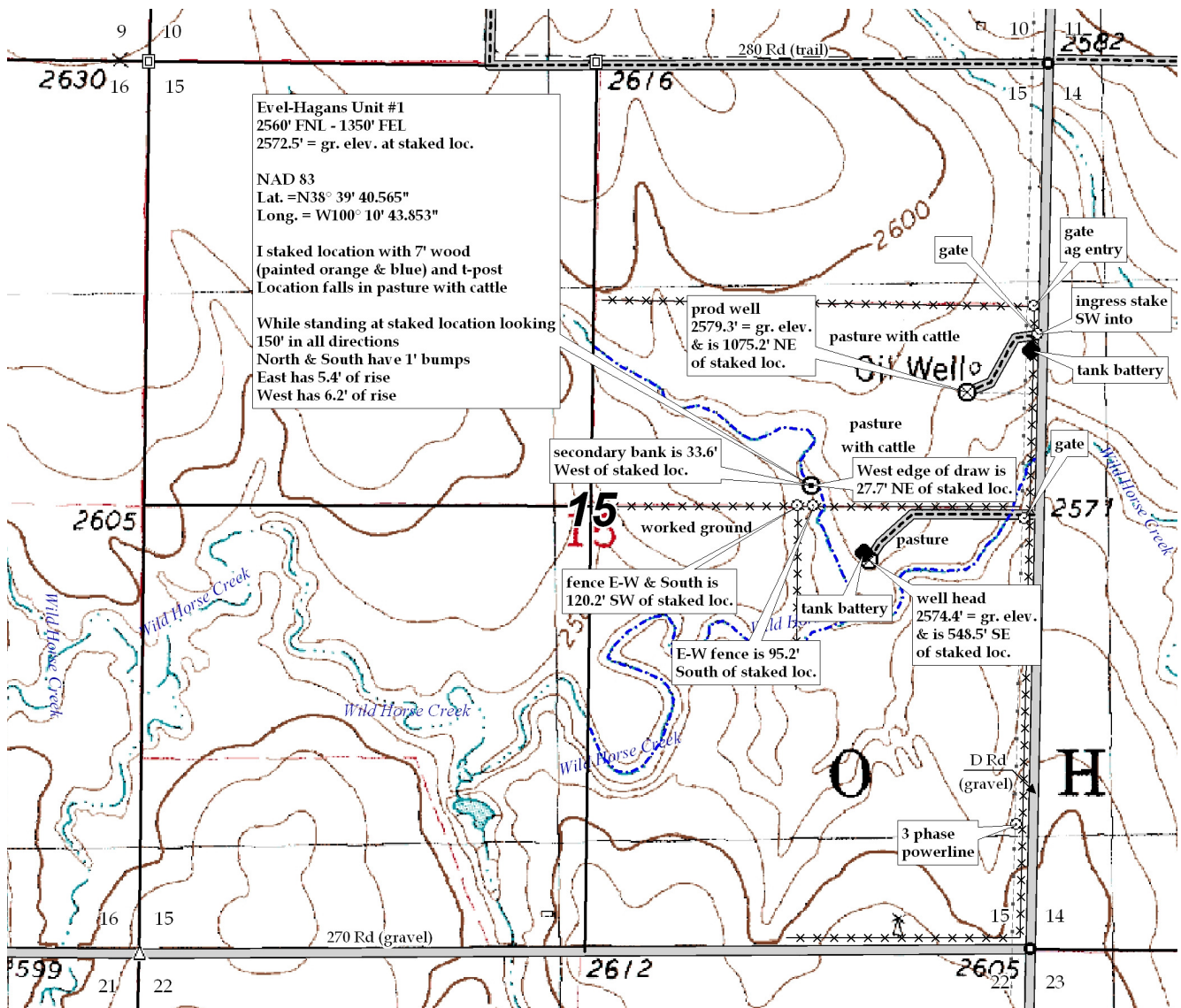


GR. ELEVATION: 2572.5'

Directions: From the SW corner of Utica, Ks at the intersection of Hwy 4 & Jackson St – Now go 1 mile North on D Rd to the SE corner of section 15-16s-26w – Now go 0.8 mile North on D Rd to ingress stake SW into – Now go 0.1 mile SW on lease rd – Now go 1075' SW through pasture with cattle into staked location.

Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat.
This drawing is for construction purposes only.





Pro-Stake LLC
Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



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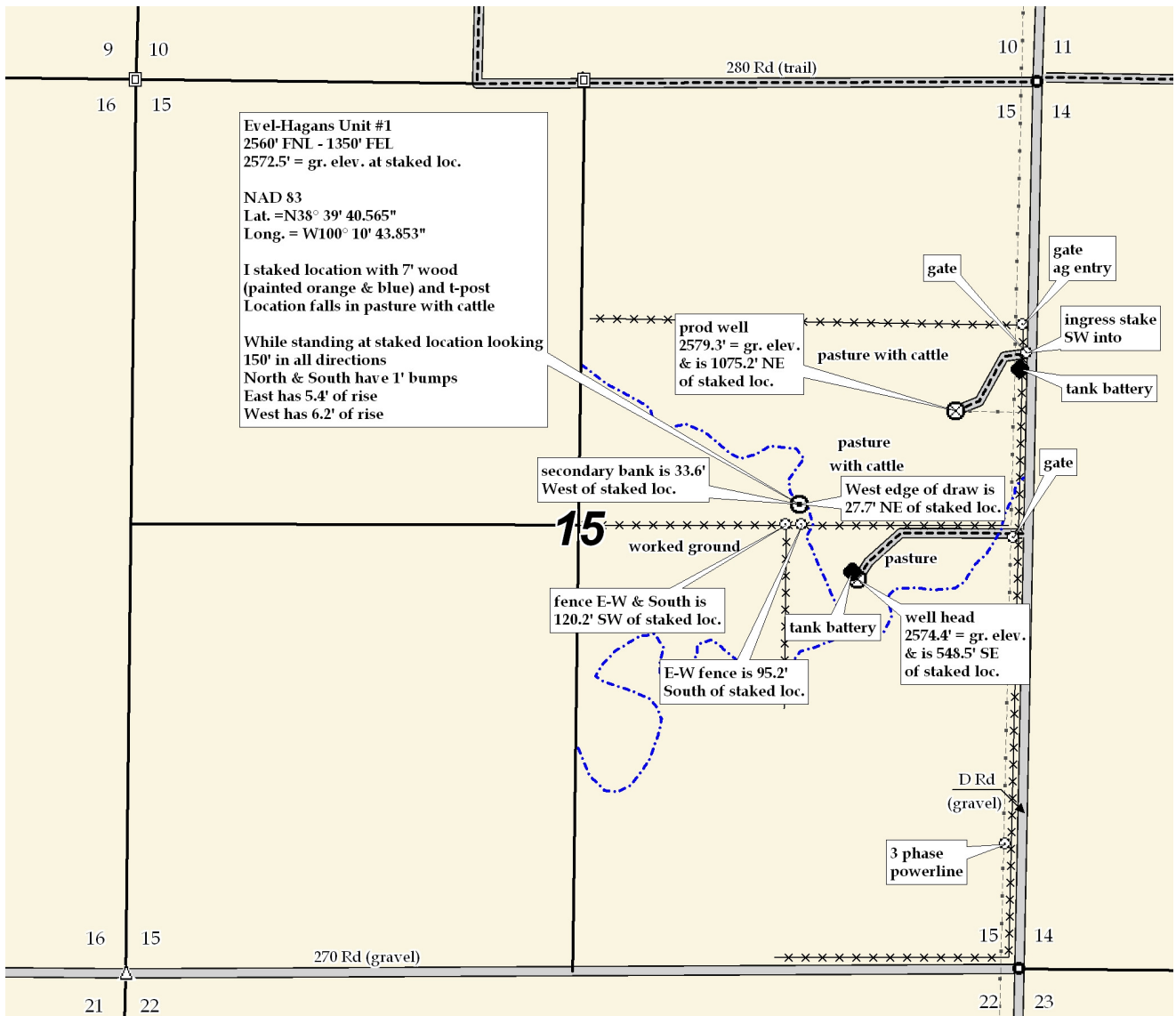


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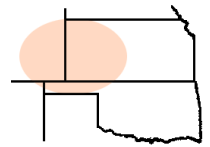
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OPERATOR

Ness County, KS

COUNTY

15 16s 26w
 Sec. Twp. Rng.

Evel-Hagans Unit #1

LEASE NAME

2560' FNL -1350' FEL

LOCATION SPOT

SCALE: N/A
 DATE: June 5th, 2012
 MEASURED BY: Luke R.
 DRAWN BY: Luke R.
 AUTHORIZED BY: Dana W.

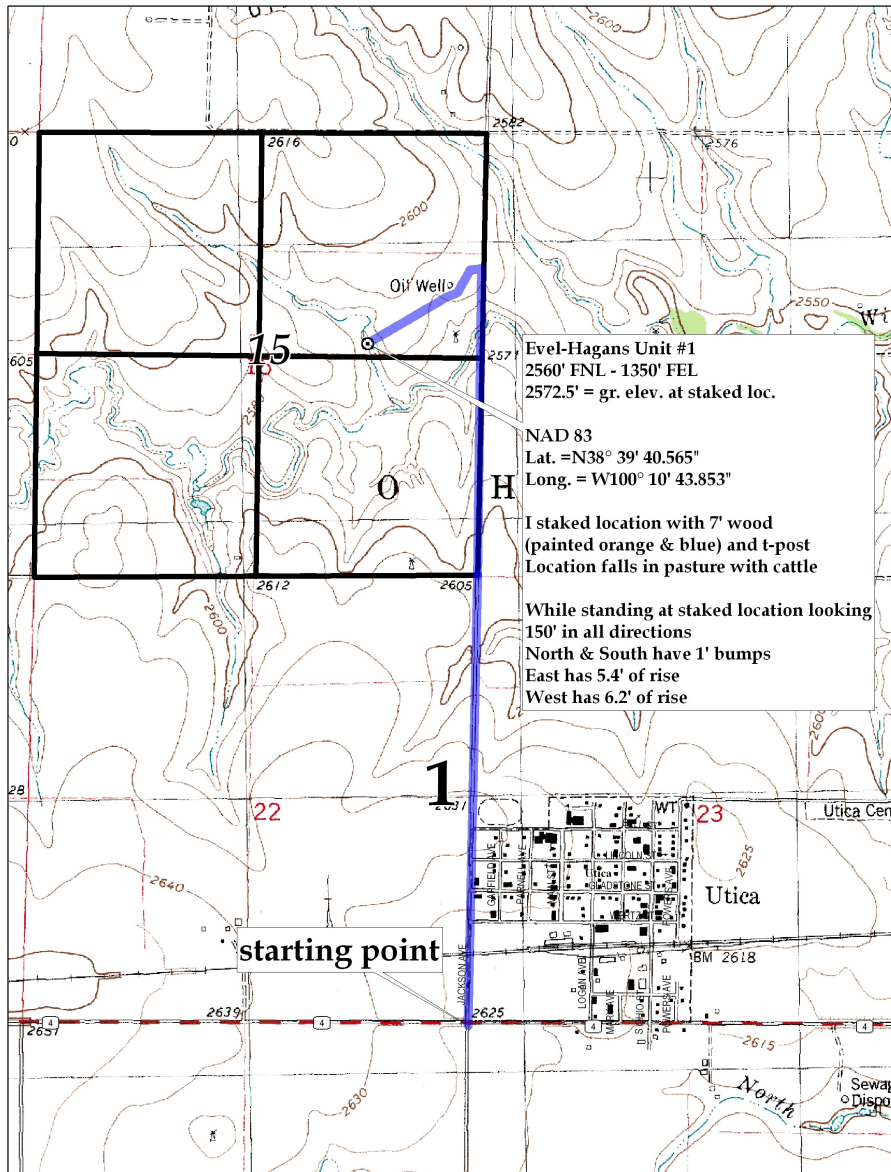


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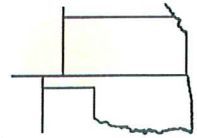
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10072
 INVOICE NO.

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Evel-Hagans Unit #1

OPERATOR

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Ness County, KS

15 16s 26w
 Sec. Twp. Rng.

2560' FNL - 1350' FEL

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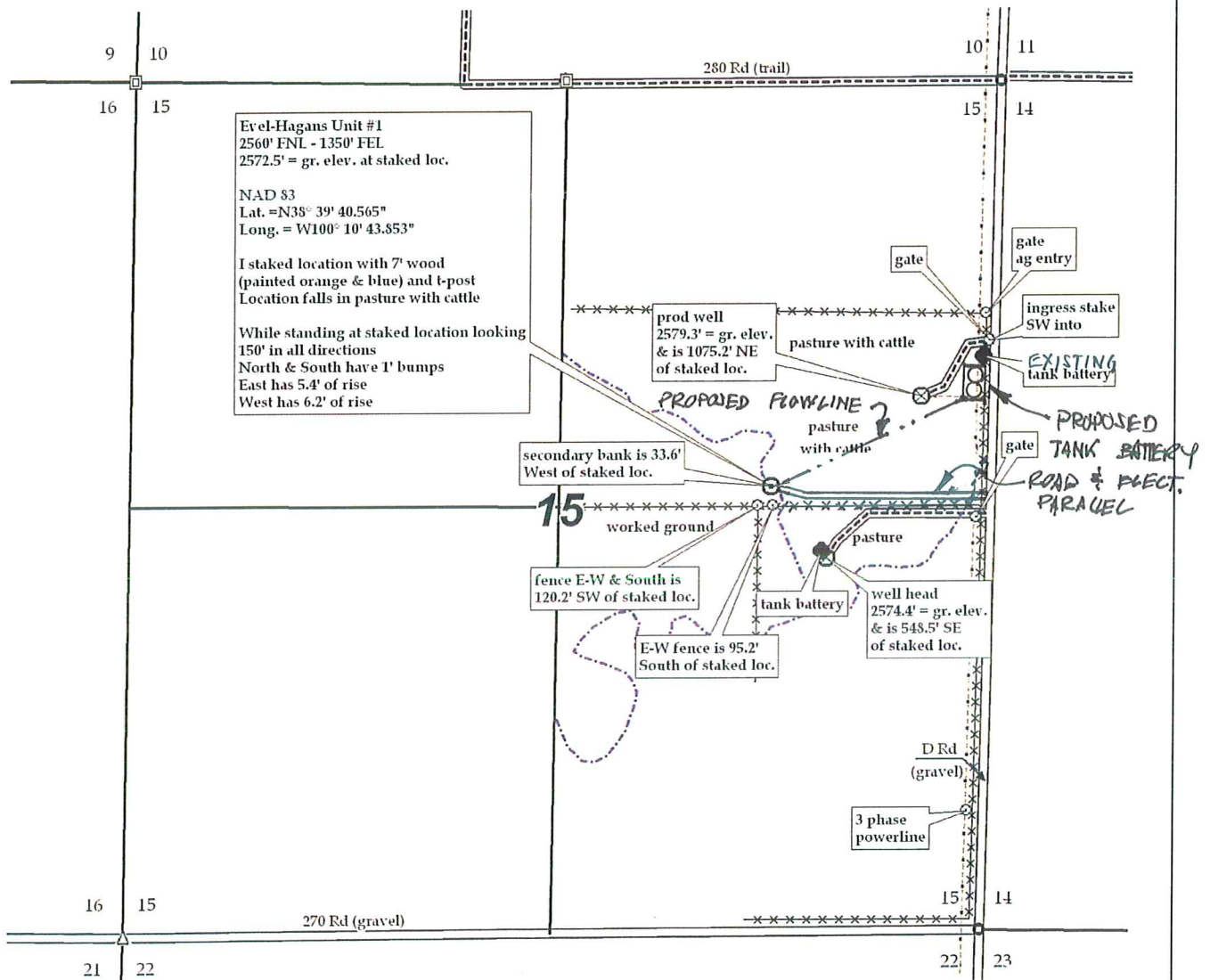
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OIL AND GAS LEASE

Reorder No. 09-115



P.O. Box 793 Wichita KS, 67201-0793 1-888-4KSBLUE 1-316-264-9344 Wichita 1-316-264-5165 fax www.kbp.com • kbp@kbp.com

8th August

2006

AGREEMENT, Made and entered into the _____ day of _____, 2006 by and between _____ Glenn Hagans, a single person

whose mailing address is _____ 137 North Powers Utica, Kansas 67584 hereinafter called Lessor (whether one or more), and _____ Palomino Petroleum Inc.

hereinafter called Lessee: Lessor, in consideration of _____ One and More Dollars (\$ _____ One (1.00)) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring by geophysical and other means, prospecting drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, power stations, telephone lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of _____ Ness State of _____ Kansas described as follows to-wit:

Township 16 South, Range 26 West Section 15: SE/4

In Section _____ Township _____ Range _____, and containing _____ 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of _____ Three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees: 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises. 2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (1/8) of the proceeds received by lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty One Dollar (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by lessor, lessee shall bury lessee's pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessee's operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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 not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. 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.



IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written Witnesses: _____ Glenn Hagans

State of Kansas Ness County SS# _____ Book: 303 Page: 93 Recording Fee: \$12.00 Receipt #: 1438 Pages Recorded: 2 Cashier Initials: MH Date Recorded: 8/8/2006 11:20:00 AM

AMENDMENT TO OIL AND GAS LEASE

State: KANSAS
County: NESS
Lessor: Alice M. Anton and Benjamin C. Evel
Lessee: Adolph Beren, H. H. Beren and L. H. Beren, d/b/a Okmar Oil Company, a co-partnership
Operator: Berexco LLC
Effective Date: February 6, 1976

On February 6, 1976, Casper Evel and Alberta Rhea Evel, husband and wife granted to Lessee, named above, an oil and gas lease (the "Lease") recorded in Book 117 at Page 499 of the records of Ness County, Kansas, on the following lands located in said county and state (the "Lands"):

Township 16 South, Range 26 West
Section 15: Northeast Quarter (NE $\frac{1}{4}$)

Paragraph 5 of the Lease grants Lessee the authority to pool and/or unitize the Lands with other lands only as to the gas rights thereunder (excluding casinghead gas produced from oil wells).

For the consideration received by Lessor on executing the Lease, and the benefits to be derived, Lessor hereby amends the Lease to add the following paragraph:

"18. To properly develop and operate said leased premises so as to promote the conservation of oil in and under and that may be produced from said premises, Lessee, at its option, is hereby given the right and power to pool or combine a portion of acreage covered by this lease with other land, lease or leases, as to all strata, or any stratum or strata, as to oil rights only, to form either or both of the units being comprised of the following acreage:

(a) the south 370' of the South Half of the Southwest Quarter of the Southeast Quarter (S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{2}$) of Section 10 and the north 370' of the North Half of the Northwest Quarter of the Northeast Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 15, all in Township 16 South, Range 26 West, containing 22.42 acres, more or less; and

(b) the south 410' of the Southeast Quarter of the Southwest Quarter of the Northeast Quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$); the south 410' of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$); the north 410' of the Northeast Quarter of the Northwest Quarter of the Southeast Quarter (NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$); and the north 410' of the Northwest Quarter of the Northeast Quarter of the Southeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 15, Township 16 South, Range 26 West, containing 24.85 acres, more or less;

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 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."


In all other respects the Lease remains unchanged. By executing this Amendment, Lessor acknowledges that the Lease is in full force and effect, and ratifies the Lease as to all its terms including those contained in this Amendment to Oil and Gas Lease.

This Amendment may be executed in any number of counterparts, and each counterpart shall be deemed to be an original instrument, but all such counterparts shall constitute but one Amendment to Oil and Gas Lease. Signature and acknowledgment pages of all counterparts may all be attached to one counterpart for recording purposes.

This Amendment to Oil and Gas Lease is executed by Lessor as of the date of the acknowledgment below, but the Amendment to Oil and Gas Lease shall be deemed effective for all purposes as of the Effective Date stated above.



Alice M. Anton, by Benjamin C. Evel, Power of Attorney



Benjamin C. Evel

State of Kansas - Ness County

Book: 352 Page: 349

Receipt #: 1353B
Pages Recorded: 2
Cashier Initials: MH

Recording Fee: \$12.00

Date Recorded: 4/23/2012 2:00:00 PM



STATE OF KANSAS)
)ss
COUNTY OF NESS)

Before me, the undersigned, a Notary Public, within and for said county and state, on this 11th day of April, 2012, personally appeared **Benjamin C. Evel**, as Power of Attorney on behalf of Alice M. Anton, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires: 7-8-2014
ROTARY PUBLIC-STATE OF KANSAS
CINDY L. VOGEL
My Appl. Exp
Printed Name: Cindy L. Vogel
Cindy L. Vogel
Notary Public

STATE OF KANSAS)
)ss
COUNTY OF NESS)

Before me, the undersigned, a Notary Public, within and for said county and state, on this 11th day of April, 2012, personally appeared **Benjamin C. Evel**, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires: 7-8-2014
ROTARY PUBLIC-STATE OF KANSAS
CINDY L. VOGEL
My Appl. Exp
Printed Name: Cindy L. Vogel
Cindy L. Vogel
Notary Public

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

June 13, 2012

Bruce Meyer
BEREXCO LLC
2020 N. BRAMBLEWOOD
WICHITA, KS 67206-1094

Re: Drilling Pit Application
Evel-Hagans Unit 1
NE/4 Sec.15-16S-26W
Ness County, Kansas

Dear Bruce Meyer:

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 within 96 hours 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 (620) 225-8888 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 (620) 225-8888.