For KCC Use:

Eff	e	ct	iv	е	Date

District	#	

SGA?	Yes	No

Form

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

1087424

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

Expected Spud Date:	Spot Description:
OPERATOR: License#	
Name:	feet from E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 1:	
City: State: Zip: +	(Note: Locate well on the Section Plat on reverse side) 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: Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No Depth to bottom of fresh water: Depth to bottom of usable water: Surface Pipe by Alternate: I Length of Surface Pipe Planned to be set: Length of Conductor Pipe (if any): Projected Total Depth: Formation at 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 #:	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. I 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:

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



For KCC Use ONLY

API # 15 - ____

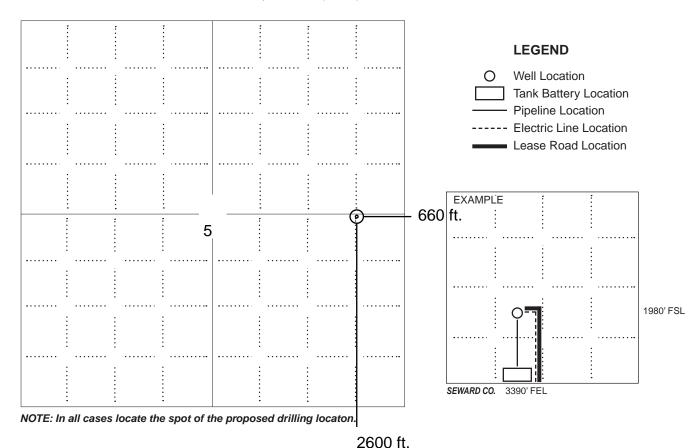
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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.



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.

Side Two



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1087424

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:	ionni în Duplicat	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	SecTwpR	East West
Settling Pit Drilling Pit	If Existing, date co	nstructed:	Feet from	North / South Line of Section
Workover Pit Haul-Off Pit			Feet from East / West Line of Section	
(If WP Supply API No. or Year Drilled)	Pit capacity:	(bbls)	r controllr controll County	
Is the pit located in a Sensitive Ground Water A	vrea?	No	Chloride concentration:	cy Pits and Settling Pits only)
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plasti	, , , , , , , , , , , , , , , , , , , ,
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet)	N/A: Steel Pits
Depth fro	om ground level to dee	epest point:	(feet)	No Pit
		Daath ta ah alla		
Distance to nearest water well within one-mile of pit:		Source of inforr	west fresh water nation:	
feet Depth of water wellfeet		measured	well owner	electric log KDWR
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: Barrels of fluid produced daily:	Number of working pits to be utilized: Abandonment procedure:			
Does the slope from the tank battery allow all s flow into the pit?	Drill pits must be closed within 365 days of spud date.			
Submitted Electronically				
	КСС	OFFICE USE OI		eel Pit RFAC RFAS
Date Received: Permit Num	ber:	Permi		ise Inspection: Yes No

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1087424

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: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person:	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
Address 2:	county, and in the real estate property tax records of the county treasurer.
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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I

R	Fall 2. Associ Stake and Elevation 3 719 W. 5 ⁺ Stree P.O. Box 404 Concordia, KS. 66 1-800-536-282	Service 1901 11 Date 3-19-12
MURFIN DRILLING Operator	1-5 Number	Invoice Number 0315122 Shones Unit Farm Name
on sandy slop Conr stalks s	5 4 ' wood stk ping cropland south, wheat d wheat stubble O' N of turn	2600'FSL 660'FEL Location Elevation 3172 Gr. Ordered By: Shauna

Form 88 — (Producer's Special) (PAID-UP)					
63U (Rev. 1993)	OIL AND GAS L	EASE	Reorder No. 09-115	KB,	Kansas Blue Pr 700 S. Broadway PO Box Wichita, KS 07201-0793 315-264-0344 - 264-5165 f www.kbp.com - kbp@kbp.c
AGREEMENT, Made and entered into the 9th	day of January				20
y and between Jerry J. Shafer					
whose mailing address is		59021-0681 phone 1-800		called Les	sor (whether one or m
250 N. Water, Suite 300, Wichita	a, KS 67202				, hereinafter caller Les
Lessor, In consideration of <u>One and mor</u> shere acknowledged and of the royalties herein provided and f investigating, exploring by geophysical and other means, p onstituent products, injecting gas, water, other fluids, and air i nd things thereon to produce, save, take care of, treat, manufac roducts manufactured therefrom, and housing and otherwise or herein situated in County of <u>Cheyenne</u>	subsurface strata, laying pipe lines, r into subsurface strata, laying pipe lines, r iture, process, store and transport said of caring for its employees, the following d	ng for and producing storing oil, building tan I, liquid hydrocarbons, ; escribed land, together	oil, liquid hydrocart ks, power stations, t gases and their respe with any reversiona	oons, all g telephone l ctive const ry rights a	uses, and their respec- lines, and other struct
Township 1 South, Range 37 West		Townsh	ip 1 South	ı, Ran	ge 38 West
ec. 6: All ec. 5: Lots 1,2,3,4, & S/2NE/4	, SW/4, S/2NW/4	√Sec. 1 √Sec. 1 √Sec. 1	: E/2SE/4, 1: SW/4NW/ 1: SE/4SW/ 2: NE/4NE/	′4, w/ ′4, sw	2SW/4
a SectionXXXX TownshipXXXX		$\sqrt{\text{Sec. 1}}$		л	cres more or less an
2nd. To pay lessor for gas of whatsoever nature or ki	he pipe line to which lessee may connec	romises or used in the	munufacture of any	r producte i	therefrom one eighth
1st. To deliver to the credit of lessor, free of cost, in t om the leased premises. 2nd. To pay lessor for gas of whatsoever nature or ki the market price at the well, (but, as to gas sold by lessee, i remises, or in the manufacture of products therefrom, said pc s royalty One Dollar (\$1.00) per year per net mineral acre ro beaning of the preceding paragraph. This lease may be maintained during the primary ter f this lease or any extension thereof, the lessee shall have th bund in paying quantities, this lease shall continue and be in i	he pipe line to which lessee may connect ind produced and sold, or used off the p in no event more than one-eighth (%) of syments to be made monthly. Where ga etained hereunder, and if such payment im hereof without further payment or d e right to drill such well to completion i force with like effect as if such well had	premises, or used in the f the proceeds received s from a well producin t or tender is made it v hrilling operations. If th with reasonable diliger been completed within	manufacture of any by lessee from such g gas only is not so vill be considered th he lessee shall comm ce and dispatch, an the term of years fi	y products : sales), for ld or used, ut gas is b nence to dr id if oil or rst mentior	therefrom, one-eighth the gas sold, used of lessee may pay or te eing produced within ill a well within the gas, or either of then red.
1st. To deliver to the credit of lessor, free of cost, in t from the leased premises. 2nd. To pay lessor for gas of whatsoever nature or ki t the market price at the well, (but, as to gas sold by lessee, i remises, or in the manufacture of products therefrom, said pa s royalty One Dollar (\$1.00) per year per net mineral acre re- isening of the preceding paragraph. This lease may be maintained during the primary ter f this lease or any extension thereof, the lessee shall have the bund in paying quantities, this lease shall continue and be in : If said lessor owns a less interest in the above descri- te said lessor only in the proportion which lessor's interest be. Lessee shall have the right to use, free of cost, gas, oil i When requested by lessor, lessee shall bury lessee's pip No well shall be drilled nearer than 200 feet to the hour.	he pipe line to which lessee may connect ind produced and sold, or used off the p in no event more than one-eighth (%) of ayments to be made monthly. Where ga etained hereunder, and if such payment im hereof without further payment or d e right to drill such well to completion force with like effect as if such well had bed land than the entire and undivided ars to the whole and undivided fee. and water produced on said land for less e lines below plow depth. se or barn now on said premises without	premises, or used in the f the proceeds received s from a well producin t or tender is made it v trilling operations. If th with reasonable diliger been completed within f fee simple estate ther see's operation thereon,	manufacture of any by lessee from such g gas only is not so vill be considered th he lessee shall comm the and disputch, an the term of years fi oin, then the royalti except water from t	y products (sales), for ld or used, ut gas is b mence to dr d if oil or rst mentior es herein p	therefrom, one-eighth the gas sold, used of lessee may pay or te eing produced within ill a well within the gas, or either of then red. provided for shall be
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1st. To deliver to the credit of lessor, free of cost, in t om the leased premises. 2nd. To pay lessor for gas of whatsoever nature or kit is the market price at the well, (but, as to gas sold by lessee, is remises, or in the manufacture of products therefrom, said pay is royalty One Dollar (\$1.00) per year per net mineral acre releaning of the preceding paragraph. This lease may be maintained during the primary ter it this lease or any extension thereof, the lessee shall have the und in paying quantities, this lease shall continue and be in 1 If said lessor only in the proportion which lessor's interest be said lessor only in the proportion which lessor's interest be used lessor only in the proportion which lessor's interest is possible to the house the requested by lessor, lessee shall bury lessee's pip. No well shall be drilled nearer than 200 feet to the house Lessee shall have the right at any time to remove all m. 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Lesser, at its option, is hereby given the right and por mediate vicinity thereof, when in lesser's judgment it is no mediate vicinity thereof, when in lesse's or shall receive on the soled areage, it shall be treated, for all purposes ex und on the convey ance records of the county in which the old into a tract or unit shall be treated, for all purposes ex und on the pooled areage, it shall be treated as if production what is and agrees to shall receive or the soled warrants whall be treated as if production is alarged.	he pipe line to which lessee may connect ind produced and sold, or used off the p in no event more than one-eighth (%) of yoments to be made monthly. Where gat etained hereunder, and if such payment im hereof without further payment or d e right to drill such well to completion - force with like effect as if such well had bed land than the entire and undivided ars to the whole and undivided fee. and water produced on said land for less e lines below plow depth. 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IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above uses: M: XVN252 A 502776 rittingss555 A. r erty of Spafer ER OF DE

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ME COUN

STATE OF KANSAS, CHEYENNE COUNTY This instrument was filed for record on the 12⁻⁻⁻ day of <u>February</u> 2008 at <u>11.30</u> o'clock <u>A</u>.M. and recorded in Book <u>156</u> Page <u>684-686</u> <u>944</u> Fee: 16.008 Pegister of Deeds Restanting for AHROU

Witnesses:

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To be attached to and made a part hereof a certain oil and gas lease dated January 9, 2008 by and between Jerry J. Shafer as Lessor and Murfin Drilling Company, Inc. as Lessee

VOL 156 PAGE 688

<u>RIDER</u>

If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum equal to the original per acre bonus paid to Lessor under the initial primary term of said lease multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease, the primary term shall be extended for an additional three (3) years from the end of the primary term hereof.

x: Jerry Johnfeer Jerry J. Strafer

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FORM 88 — (PRODUCER'S SPECIAL) (PAID-UP)		Reorder No.	Kansas Blue Print
63U (Rev. 1993)	OIL AND GAS LEA	\SE 09-115	Wichla, KS 07201-0703 3162/v14344 2001-105 fax www.hhp.cam - hbp@kbp.com
AGREEMENT, Made and cotored into the	stday of	······································	2007
by and hetwann Ronnie Lee Jones and	Jean Marie Jones, husba	and and wife	
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MURFIN DRILLING COMPAN	PAGE 02/05 VOL 1.5.7, MAE 90. SPECIAL (PAID-UP) A 1993 OIL AND GAS LEASE OIL AND GAS		
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Lessor, in consideration of One and	HOLE	ained, hereby grants, leases and lots en) in hand paid, receipt of which clusively unto lessee for the purpose
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therein signated in County of <u>Chevenne</u>	State of	Kansas	described as tollows low it
*See Exhibit "A" attached b	ereto and made a part	hereot tor legal de	scription;
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Subject to the provisions herein contained, this less	e shall remain in force for a tarm of three	$\frac{12}{12}$ (3) some from this date (colled "i	orimary term"), and as long thereafter d is peoled.
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All express or implied covenents of this lease sha in whole or in part, nor issue held liable in damages, for	11 Sec. March 11 Bedreel and Oscar Torus F	Supervision Orders, Bules or Regulations.	, and this lease shall not be terminated, result of, any such Law, Order, Rule or
Regulation. Lessor hereby warrants and agrees to defend the t	Itle to the lands herein described, and agrees t	hat the lessee shall have the right at an	ny time to redoom for lessor, by payment has at the holder thornal, and the under-

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Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lesses shall have the right at any line to redeem for lessor, by payment any mangages, taxes or other liens on the show described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the under-signed lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead may in any way affect the pupposes for which this lesso is made, as resided herein. Lesses, at its option, is hereby gives the right and power to pool or combine the acreage covared by this lanse or any portion thereof with other land; lesses is the immediate visinity thereof, when in lessee's judgment it is necessary or advisable to do no in order to properly develop and operate and losse presides as as to be into a unit conservation of oil, gas or their minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and the investige and elesses in the conservation of oil, gas or their 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 tult or units not exceeding 540 acres cach in the event of a gas well. Lessees his acceut 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 metrics, is also as the produced into a tract or units hall be treated. In the produced in the post of row this lease, whether the well or wells be located on the premises covered by this lease or not. In ligs of the result in the pooled acreage, is shall be treated as if production is had from the pooled only atthe portion of the royalty interest therein an the amount of his acreage placed in the unit or his royalty interest the

*See rider attached hereto and made a part hereof;

STATE OF KANSAS, CHEYENNE COUNTY This instrument was filed for record on the add day of <u>LEONIDARY</u> , <u>ROOM</u> at <u>11:30</u> o'clock <u>A</u> . M. and recorded In Book <u>157</u> Page <u>90-93</u> Fee: <u>zb.oc</u> Register of Deeds (a: <u>Marmalic</u> <u>D</u> IN WITNESS WHEREOF, the undersigned execute this instrument is of the day With WITNESS WHEREOF, the undersigned execute this instrument is of the day With WITNESS WHEREOF, the undersigned execute this instrument is of the day With WITNESS WHEREOF, the undersigned execute this instrument is of the day Defined Marie Jones	x and years first entry written. X: Jonn, A-ee Jacou Rominie Lee Jones
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CHEYENNE COUNTY KS

EVOL 157 PAGE 92

Exhibit "A"

To be attached to a certain oil and gas lease dated October 31st, 2007 by and between Ronnie Lee Jones and Jean Marie Jones, husband and wife, as lessors and Murfin Drilling Company, Inc., as lessee, covering the following described property in Cheyenne County, Kansas, to wit:

It is agreed by and between the parties hereto that this lease is, in effect, a separate lease for each of the following described tracts, to-wit:

Township 1 South, Range 37 West Tract 1: Section 5:SE/4 Tract 2: Section 7 N/2 Tract 3: Section 7 S/2 Tract 4: Section 8 N/2 Tract 5: Section 8 S/2 -Tract 6: Section 9 W/2 /Tract 7: Section 17 N/2,N/2SE/4 3,040 Containing 2;960 acres more or less

Township 1 South, Range 38 West Tract 8: Section 12 S/2,S/2NE/4 Tract 9: Section 13 N/2 Tract 10: Section 13 N/2 Tract 10: Section 13 N/2 Tract 11: Section 13 N/25/2

The production of oil or gas on any one tract or an oil or gas producing unit shall not extend the primary term of this lease on tracts not covered by production of oil or gas.

n Marie Janes Tean Warie Jones

Attached to and made a part of that certain oil and gas lease dated October 61, 2007, by and between Ronnie Lee Jones and Jean Marie Jones, husband and wife as Lessor, and Murfin Drilling Company, Inc. as Lessee.

RIDER

Township 1 South, Range 37 West Section 5: SE/4 Section 7: All Section 8: All Section 9: W/2 Section 17: N/2,N/2SE/4 Township 1 South Range 38 West Section 12: S/2,S/2NE/4 /Section 13: N/2,N/2S/2

- 1. When preparing development locations, the topsoil shall be segregated to be replaced on the surface upon completion of drilling activities. Any terraces driven over or altered for drilling or tank locations shall be restored to original height and contour as nearly as is practicable.
- 2. In the event of drilling operations on said land, Lessee or assigns agree to bury pipe lines below plow depth. Lessee or assigns agree to backfill all slush pits, level the location and restore the surface as nearly as is practicable. Lessee or assigns agrees to pay for all damages of any nature arising from its operations on the above land.
- 3. Upon the completion of any drilling operations or any seismographic testing the Lessee shall leave no waste material, litter or other debris on said premises and shall restore said premises as nearly as practicable to the condition the premises were in prior to Lessee's operations
- 4. A sufficient dike shall be placed around tank batteries. Also tank batteries and pumping equipment units shall be fenced to restrain cattle in pastures or on ground that Lessor grazes cattle. Lessor shall not be held liable for any damage to Lessees equipment caused by Lessors livestock.
- 5. If the lands covered hereby are irrigated by the use of a self propelled overhead sprinkler system, presently in operation or installed hereafter, the Lessee, prior to conducting operations herein, shall consult with the Lessor in regard to said drilling operations. Said operations shall be conducted in such a manner as will least disturb or interfere with Lessors irrigation system or the surface contours of the leased premises. Should any alterations to the surface contours be caused by Lessees operations, Lessee, or his assigns, shall restore said surface contours to their former condition as nearly as is practicable. In the event of production and continued use of the surface, Lessee, or his assigns, will restore or prepare the surface and situate and install all equipment needed in connection therewith, so that Lessee's use thereof will not interfere with the passage of said overhead sprinkler irrigation systems.
- 6. Lessee shall consult with Lessor in regard to the route of ingress and egress on said premises for the purpose of drilling and production.
- 7. If at the end of the primary term, this lease is not otherwise continued in force under the provisions hereof, this lease shall expire, unless Lessee on or before the end of the primary term shall pay or tender to Lessor, the sum equal to the original per acre bonus paid to Lessor under the initial primary term of said lease multiplied by the number of net mineral acres owned by Lessor in the land above described and then subject to this lease the primary term shall be extended for an additional three (3) years from the end of the primary term hereof.

Jean Marie Jones X: Konne X: Konne Sones

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

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



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

July 20, 2012

Shauna Gunzelman Murfin Drilling Co., Inc. 250 N WATER STE 300 WICHITA, KS 67202-1216

Re: Drilling Pit Application Shones Unit 1-5 SE/4 Sec.05-01S-37W Cheyenne County, Kansas

Dear Shauna Gunzelman:

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.