1089380

For KCC Use:
Effective Date: 08/25/2012
District # 2
SGA? [X] Yes [ ] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date: 01/12/2013 (month / day / year)

OPERATOR: License# 34574
Name: Shell Gulf of Mexico Inc.
Address 1: 150 N DAIRY-ASHFORD (77079)
Address 2: PO BOX 576 (77001-0576)
City: HOUSTON State: TX Zip: 77001 + 0576
Contact Person: Damonica Pierson
Phone: 832-337-2172

CONTRACTOR: License# 34718
Name: Nabors Drilling USA, LP

Well Drilled For:	Well Class:	Type Equipment:
[ ] Oil	[ ] Infield	[X] Mud Rotary
[ ] Gas	[ ] Pool Ext.	[ ] Air Rotary
[X] Disposal	[X] Wildcat	[ ] Cable
[ ] Seismic ; ____ # of Holes	[ ] Other	
[ ] Other:		

[ ] If OWWO: old well information as follows:

Operator:
Well Name:
Original Completion Date: ____ Original Total Depth:

Directional, Deviated or Horizontal wellbore? [ ] Yes [X] No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Top of salt @ appr. 950'. Max. surface casing 850'.

Spot Description:
W2 (Q/Q/Q/Q) - SE - SW - SW Sec. 1 Twp. 35 S. R. 9 [ ] E [X] W
330 feet from [ ] N / [X] S Line of Section
985 feet from [ ] E / [X] W Line of Section
Is SECTION: [X] Regular [ ] Irregular?

*(**Note:** Locate well on the Section Plat on reverse side)*

County: Harper
Lease Name: Chain Land 3509 Well #: 1-1
Field Name: Wildcat
Is this a Prorated / Spaced Field? [ ] Yes [X] No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary line (in footage): 330
Ground Surface Elevation: 1252 Estimated feet MSL
Water well within one-quarter mile: [ ] Yes [X] No
Public water supply well within one mile: [ ] Yes [X] No
Depth to bottom of fresh water: 100
Depth to bottom of usable water: 180
Surface Pipe by Alternate: [X] I [ ] II
Length of Surface Pipe Planned to be set: 800
Length of Conductor Pipe (if any):
Projected Total Depth: 6636
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
[ ] Well [ ] Farm Pond [X] Other: To be hauled
DWR Permit #:
*(**Note:** Apply for Permit with DWR [ ])*
Will Cores be taken? [ ] Yes [X] No
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 - 15-077-21871-00-00
Conductor pipe required 0 feet
Minimum surface pipe required 200 feet per ALT. [X] I [ ] II
Approved by: Rick Hestermann 08/20/2012
This authorization expires: 08/20/2013
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: ____ Agent: ____

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

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:

1 35 9 E W

Side Two

1089380

For KCC Use ONLY
API # 15 - 15-077-21871-00-00

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: Shell Gulf of Mexico Inc.
Lease: Chain Land 3509
Well Number: 1-1
Field: Wildcat

Number of Acres attributable to well: ____
QTR/QTR/QTR/QTR of acreage: W2 - SE - SW - SW

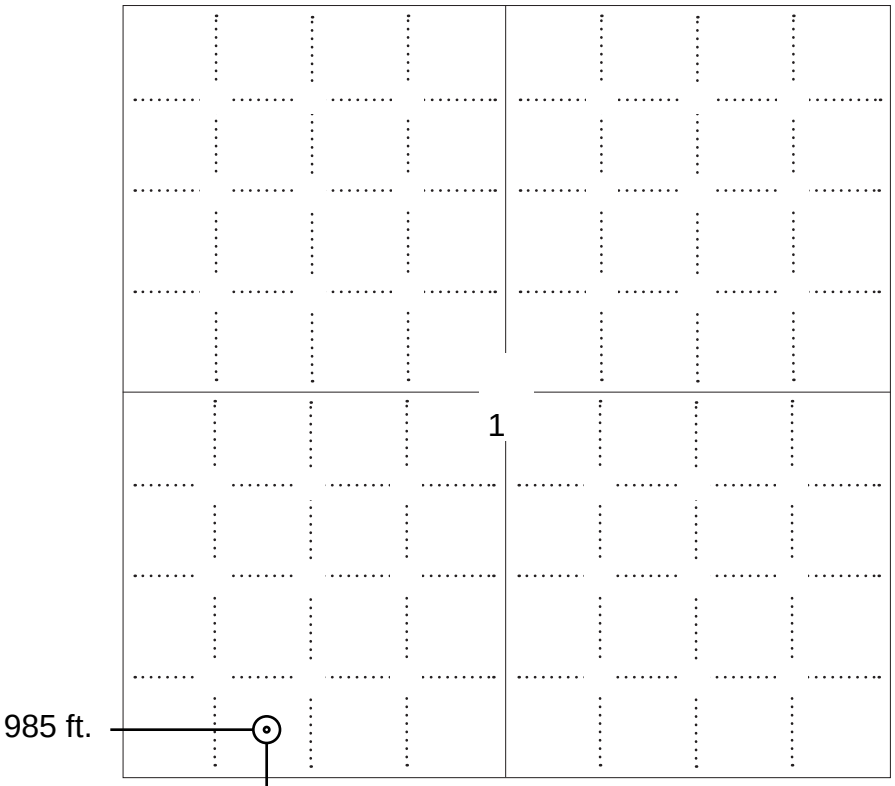
Location of Well: County: Harper
330 feet from ☐ N / ☒ S Line of Section
985 feet from ☐ E / ☒ W Line of Section
Sec. 1 Twp. 35 S. R. 9 ☐ E ☒ W

Is Section: ☒ Regular or ☐ Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

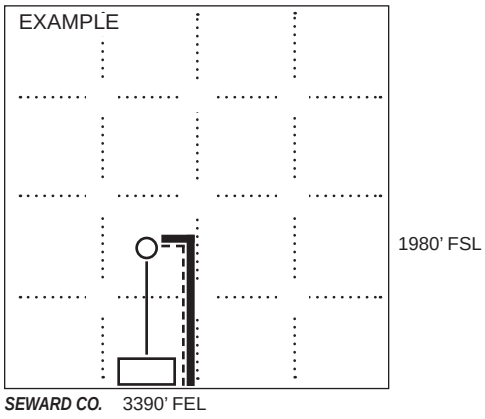
PLAT

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.

1089380

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Shell Gulf of Mexico Inc.
License Number: 34574

Operator Address: 150 N DAIRY-ASHFORD (77079) PO BOX 576 (77001-0576) HOUSTON TX 77001

Contact Person: Damonica Pierson
Phone Number: 832-337-2172

Lease Name & Well No.: Chain Land 3509 1-1

Pit Location (QQQQ): W2 - SE - SW - SW

Sec. 1 Twp. 35 R. 9 ☐ East ☒ West

330 Feet from ☐ North / ☒ South Line of Section

985 Feet from ☐ East / ☒ West Line of Section

Harper County

Type of Pit:
☐ Emergency Pit ☐ Burn Pit
☐ Settling Pit ☒ Drilling Pit
☐ Workover Pit ☐ Haul-Off Pit
(If WP Supply API No. or Year Drilled)

Pit is:
☒ Proposed ☐ Existing
If Existing, date constructed:

Pit capacity: 77090 (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? ☒ Yes ☐ No

Artificial Liner? ☒ Yes ☐ No

How is the pit lined if a plastic liner is not used?

Pit dimensions (all but working pits): 350 Length (feet) 170 Width (feet) ☐ N/A: Steel Pits

Depth from ground level to deepest point: 14 (feet) ☐ No Pit

If the pit is lined give a brief description of the liner material, thickness and installation procedure.

The pit slopes are normally 2:1 and are lined with sand or a native material to prevent punctures to the liner from rocks or debris on the slopes. The liner is ordered to fit the constructed pit size and is normally one piece. The liner is the keyed into the horizontal surface by using a grader to cut a slot 5 ft from the edge of the 2:1 slope of the pit and 2 to 3 ft in depth. The liner is placed in the slot and covered over with dirt securing the liner on the surface. A truck load of fresh water is then placed in the pit to secure the bottom and to prevent air from creating pockets on the floor of the pit.

Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.

Liner will be inspected on a quarterly basis for wear, punctures and tears by a qualified person.

Distance to nearest water well within one-mile of pit:

N/A feet Depth of water well _____ feet

Depth to shallowest fresh water _____ feet.
Source of information:
☐ measured ☐ well owner ☐ electric log ☒ 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? ☐ Yes ☐ No

Drilling, Workover and Haul-Off Pits ONLY:

Type of material utilized in drilling/workover: Fresh water

Number of working pits to be utilized: 1

Abandonment procedure: Haul off free fluids, allow to dry and backfill to restore location.

Drill pits must be closed within 365 days of spud date.

Submitted Electronically

KCC OFFICE USE ONLY

☒ Liner ☐ Steel Pit ☒ RFAC ☐ RFAS

Date Received: 08/03/2012 Permit Number: 15-077-21871-00-00 Permit Date: 08/20/2012 Lease Inspection: ☒ Yes ☐ No

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1089380

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

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☒ **C-1** (Intent) ☐ **CB-1** (Cathodic Protection Borehole Intent) ☐ **T-1** (Transfer) ☐ **CP-1** (Plugging Application)

OPERATOR: License # 34574
Name: Shell Gulf of Mexico Inc.
Address 1: 150 N DAIRY-ASHFORD (77079)
Address 2: PO BOX 576 (77001-0576)
City: HOUSTON State: TX Zip: 77001 + 0576
Contact Person: Damonica Pierson
Phone: (832) 337-2172 Fax: ( )
Email Address:

Well Location:
W2 - SE - SW - SW Sec. 1 Twp. 35 S. R. 9 ☐ East ☒ West
County: Harper
Lease Name: Chain Land 3509 Well #: 1-1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:
Name: Chain Land and Cattle Company, Inc.
Address 1: Attn: Jarrod Rogers
Address 2: Route 1, Box 71
City: Canton State: OK Zip: 73724 +

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.

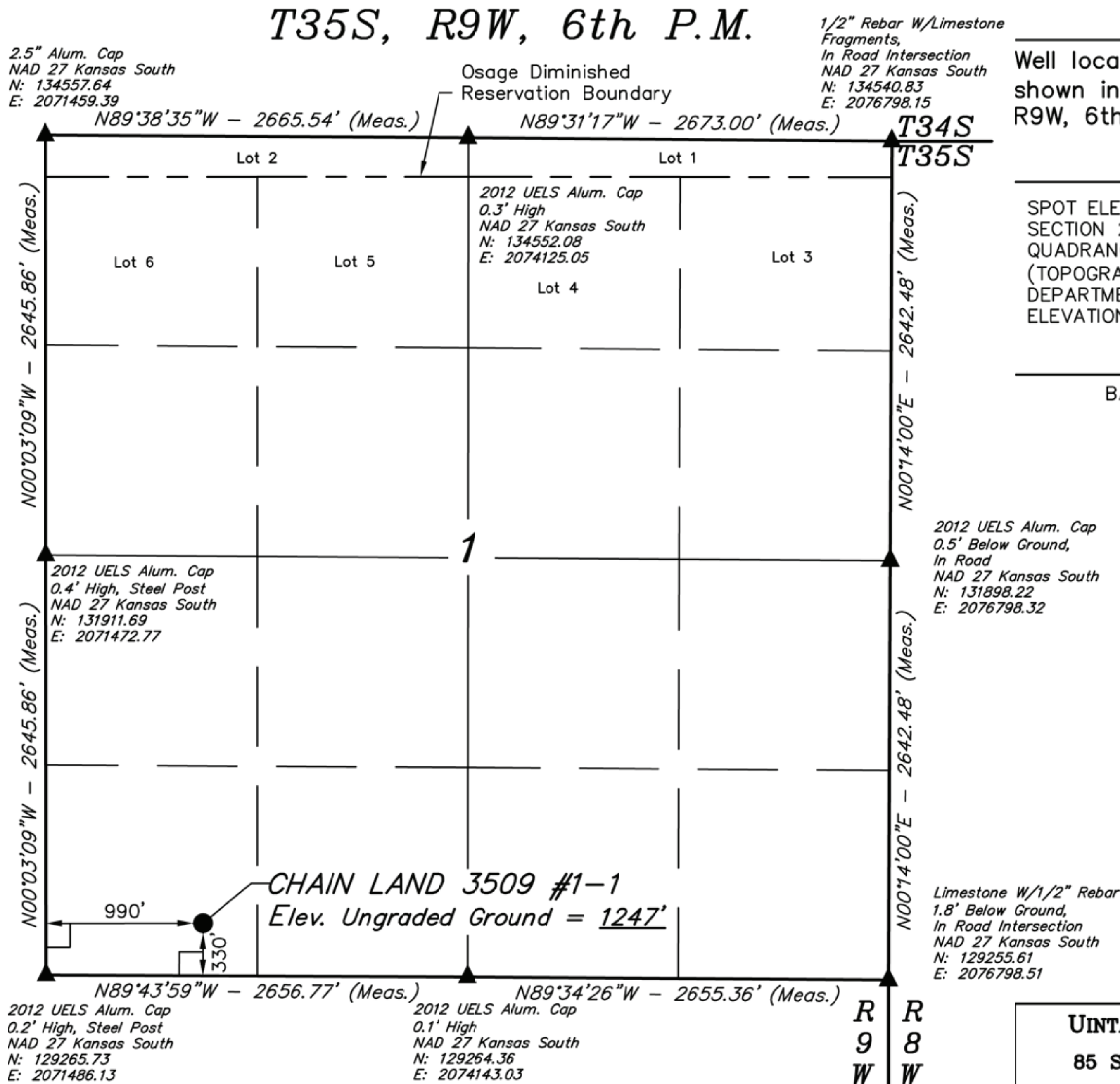
☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged 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.

Submitted Electronically

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

T35S, R9W, 6th P.M.



SGOMI

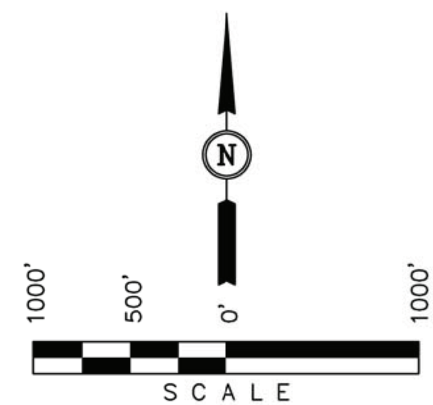
Well location, CHAIN LAND 3509 #1–1, located as shown in the SW 1/4 SW 1/4 of Section 1, T35S, R9W, 6th P.M., Harper County, Kansas.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHEAST CORNER OF SECTION 22, T33S, R7W, 6th P.M. TAKEN FROM THE ANTHONY, QUADRANGLE, KANSAS, HARPER COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 1348 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 1451
STATE OF KANSAS

08–01–12

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST – VERNAL, UTAH 84078
(435) 789–1017

SCALE	DATE SURVEYED:	DATE DRAWN:
1" = 1000'	07–10–12	07–17–12
PARTY J.P. B.L. C.A.G.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE SGOMI	

LEGEND:

- ⌊ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

NAD 83 (#1–1 SURFACE LOCATION)
LATITUDE = 37°01'20.43" (37.022342)
LONGITUDE = 98°15'07.64" (98.252122)
NAD 27 (#1–1 SURFACE LOCATION)
LATITUDE = 37°01'20.33" (37.022314)
LONGITUDE = 98°15'06.39" (98.251775)
STATE PLANE NAD 27 (KANSAS SOUTH)
N: 129595.68 E: 2072474.47

SGOMI

LOCATION LAYOUT FOR

CHAIN LAND 3509 #1-1, #1-1H & #1-2H
SECTION 1, T35S, R9W, 6th P.M.
SW 1/4 SW 1/4

FIGURE #1
SCALE: 1" = 60'
DATE: 07-19-12
DRAWN BY: J.J.
VERSION: 1.0
REVISED:
REVISED BY:

Winds
Prevailing

NOTE:
Berm Designed @ 5' Above Grade, Adjust as Needed After Determining Ground Water Depth

AREA OF MAX. DISTURBANCE

F-0.6'
El. 46.9'
3 P

Topsoil Stockpile

C-2.7'
El. 50.5'
4 P

F-2.4'
El. 51.4'
A F

El. 56.5'
C-12.7'
(Btm. Pit)
C-2.7'
(Top Berm)
B F

Sta. 5+50

210'

90'

15' WIDE BERM

Approx. Toe of Fill Slope

NOTE:
CONSTRUCT DIVERSION DITCH AT EDGE OF LOCATION AS NEEDED

Cut/Fill Transition Line

±1% Slope

100'

Formation Entry

170'

N00°03'09"W - 4126.21'
(To Bottom Hole)

225'

N52°14'15"W - 829.06'
(To Formation Entry)

100'

#1-1H

#1-2H

8' WIDE TERRACE SLOPE

12' WIDE BERM

350'

FRESH WATER PIT
(10' Depth at Shallow End, Sloping down at -1.5% to 14.3' at Deep End)

Total Pit Capacity W/2' of Freeboard = 77,090 Bbls.±
Total Pit Volume = 20,250 Cu. Yds

2 1/2:1 SLOPES

12' WIDE BERM

±1.5% Slope @ Bottom of Pit

±1% Slope

Sta. 3+25

160'

50'

110'

(90')

(20')

S00°24'14"E - 334.34'
(To Benchmark)

#1-1

F-1.4'
El. 47.4'

Cut/Fill Transition Line

RIG AREA (LEVEL)
FINISH GROUND ELEV. 1248.8'
PAD SHOULD SLOPE AS SHOWN

±1% Slope

52'

125'

12' WIDE BERM

D F

C F

F-6.0'
El. 47.8'

"C"

El. 48.4'
C-8.9'
(Btm. Pit)
F-5.4'
(Top Berm)

Cut/Fill Transition Line

73'

N51°27'06"E
(To Formation Entry)
904.96'

F-0.1'
El. 47.5'
2 P

Sta. 1+00

300'

1 P

C-0.6'
El. 48.2'

Proposed Access Road

FACILITY AREA (LEVEL)
FINISH GROUND ELEV. 1247.6'
PAD SHOULD SLOPE AS SHOWN

(75')

100'

N00°03'09"W - 4124.17'
(To Bottom Hole)

Formation Entry

"A"

±0.25% Slope

Sta. 0+00

(25')

N E

C-1.8'
El. 49.3'

S E

C-0.1'
El. 47.6'

1248

1250

1252

1254

1256

1258

Proposed Truck Turnaround

Approx. Top of Cut Slope

"A"

BEARINGS AND DISTANCES FROM BENCHMARK TO STAKED POSITIONS		
STAKED POSITION	BEARING	DISTANCE
#1-1 LOCATION STAKE	N00°24'14"W	334.34'
#1-1H LOCATION STAKE	N04°40'35"W	335.47'
#1-2H LOCATION STAKE	N02°06'31"W	334.61'
PAD CORNER 1	N27°41'10"E	479.19'
PAD CORNER 2	N60°49'29"E	255.06'
PAD CORNER 3	N61°20'06"W	259.12'
PAD CORNER 4	N28°11'02"W	481.40'
PIT CORNER A	N24°34'39"W	510.58'
PAD CORNER B	N18°30'30"W	668.94'
PAD CORNER C	N12°14'33"E	649.13'
PAD CORNER D	N16°30'29"E	484.33'
SE FACILITIES CORNER	N68°55'37"E	345.74'
NE FACILITIES CORNER	N37°15'05"E	533.07'

NOTE:
Earthwork Calculations Require a Fill @ the Location Stakes For Balance. All Fill is to be Compacted to a Minimum of 95% of the Maximum Dry Density Obtained by AASHTO Method t-99.

Elev. Ungraded Ground At #1-1 Loc. Stake = 1247.4'
FINISHED GRADE ELEV. AT #1-1 LOC. STAKE = 1248.8'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

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
Thomas E. Wright, Commissioner

Sam Brownback, Governor

NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling,completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

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/

August 03, 2012

Damonica Pierson
Shell Gulf of Mexico Inc.
150 N DAIRY-ASHFORD (77079)
PO BOX 576 (77001-0576)
HOUSTON, TX 77001-0576

Re: Drilling Pit Application
Chain Land 3509 1-1
SW/4 Sec.01-35S-09W
Harper County, Kansas

Dear Damonica Pierson:

According to the drilling pit application referenced above, this pit is to be used for fresh water only. A closed loop system is to be utilized.

If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.