For KCC Use:

Eff	e	ct	iv	е	Date:

District	±	
DISTINCT	TT .	

SGA?	Yes	No

Forn

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

1091120

NOTICE OF INTENT TO DRILL

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

Expected Spud Date:	Spot Description:
month day year	(<u>a/a/a/a)</u> Sec Twp S. R E W
OPERATOR: License#	feet from N / S Line of Section
Name:	feet from L E / W Line of Section
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):
Original Completion Date: Original Total Depth:	Formation at Total Depth:
Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth: Bottom Hole Location:	Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #: (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.

ectronically

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

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 - Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent:

ш



For KCC Use ONLY

API # 15 - ____

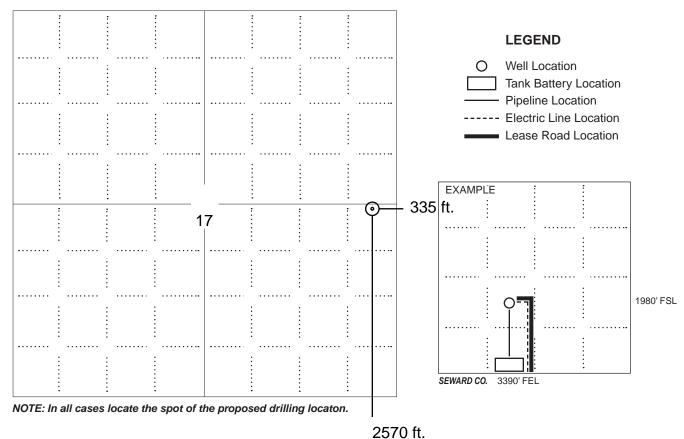
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

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



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT Form KSONA-1 July 2010 Form Must Be Typed Form must be Signed All blanks must be Filled

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

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

OPERATOR: License #	Well Location:
Name:	
Address 1:	County:
Address 2:	Lease Name: Well #:
City: Zip: Contact Person:	If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:
Phone: () Fax: () Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
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:

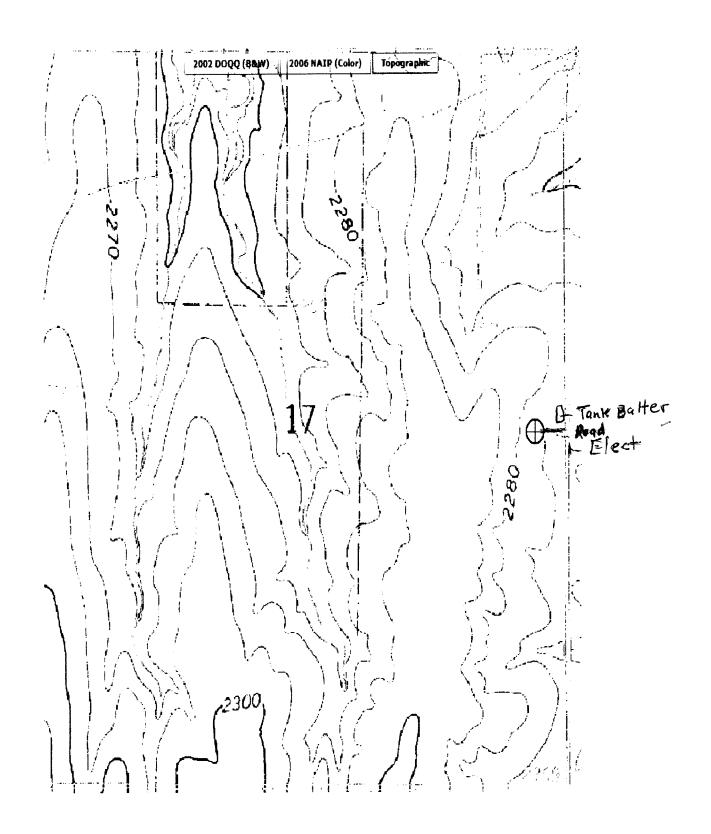
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this 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

I

I



R. Evan Noll

(Petroleum Landman)

P.O. Box 1351 Hays, KS 67601 (785) 628-8774

August 21, 2012

Randy, Tyler, Wade Selfridge 5 Star Farms 43480 ne T Road Burdett, KS 67523

RE: Dink #1-17 Well 2570 feet from South Line & 335 feet from East Line Section 17-21S-22W Hodgeman County, Kansas

Dear Selfridge Brothers:

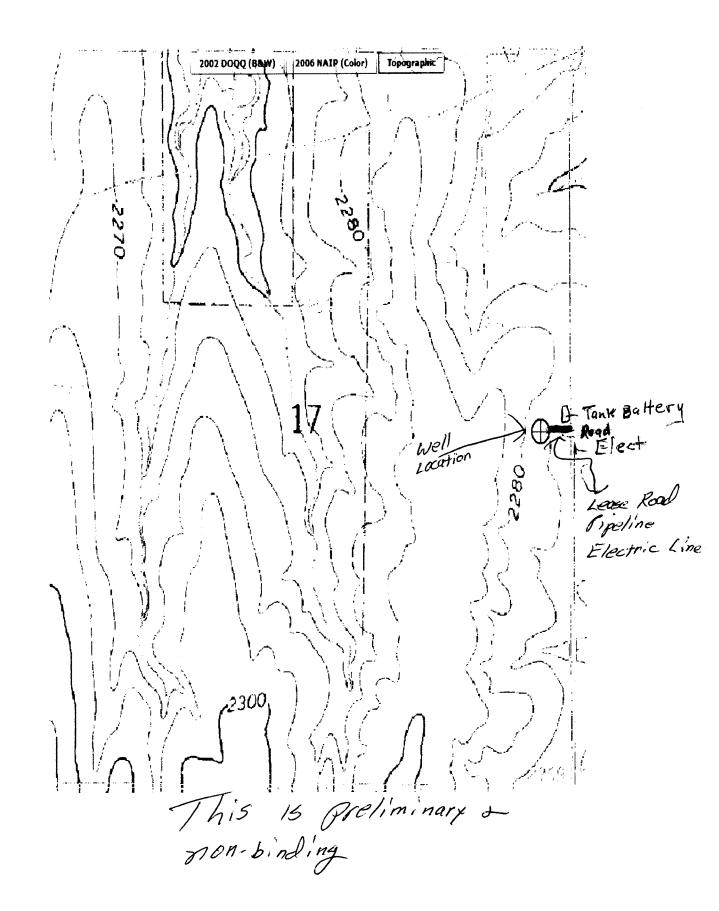
Prior to issuing a permit to drill, the Kansas Corporation Commission is requiring the property owner be notified. The operator of the captioned well is:

DK Operating, Inc. 24583 NW 208 Road Jetmore, KS 67854 Contact Man: Danny King (620) 357-6152 – <u>racerbrown88@gmail.com</u>

I'm enclosing a copy of the intent to drill filed with the KCC, a plat showing well, lease road, pipeline, electric line & tank battery locations. <u>This is all non binding and preliminary, being shown simply to satisfy State requirement.</u>

Thank You, and if you have any questions, call Danny King at (620) 357-6152.

R. Evan Noll



INDEXED

Reorder No. 09-115	KB	Kansas Blue Print 700 S. Broadway PO Box 793 Wichita, KS 67201-0763 316-264-9344-264-5165 fax
		the serve kho@kho com

Wichita, KS 67201-0793 316-264-9344 264-5165 fax

63U (Rev. 1993)	OIL A	ND GAS LEAS	SE	www.kbp.com • kbp@kbp.com
AGREEMENT, Made and enter by and between <u>Keith L</u> .	ed into the <u>22nd</u> day of	April Smith and Jessi	e I. Smith, husb	and and wife
whose mailing address is	NW 110th Ave., Atti Inc.		hereinaft	er called Lessor (whether one or more)
Lessor, in consideration of	es herein provided and of the agreement cal and other means, prospecting drilli r, other fluids, and air into subsuface s e care of, treat, manufacture, process, stu-	its of the lessee herein contained ing, mining and operating for trata, laying pipe lines, storing ore and transport said oil, liquid olovees the following describe	Dollars (\$ 10.00+ ed, hereby grants, leases and lets and producing oil, liquid hydroc oil, building tanks, power station i hydrocarbons, gases and their re- d land, together with any reversio	s, telephone lines, and other structures spective constituent products and other onary rights and after-acquired interest.

The North Half $(\mathbb{N}^{\frac{1}{2}})$

acres, more or less, and al 320 _____ Township 21 South _____ Range 22 West 17 _ and containing _ In Section

Subject to the provisions herein contained, this lease shall remain in force for a term of $\frac{\text{three}}{(3)}$ years from this date (called "primary term"). and as long thereafte 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:

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

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 (%) part of all oil produced and save 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 (%) at the market price at the well, (but, as to gas sold by lessee, in no event more than one-eighth (%) of the proceeds received by lessee from such sales), for the gas sold, used off th 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 tende 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 th 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 terr is 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, b und 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 pai aid 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 heir 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 th 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 obligation 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 thereb 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 c 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 paymen 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 under signed 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 fa as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

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, lesse or leases in th 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 th 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 un 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 an record in the conveyance records of the county in which the land herein lessed is situated an instrument identifying and describing the pooled acreage. The entire acreages is 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.

Witnes mith Keith L. Smith

ressie I Smith Jessie I. Smith

SS#

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INDEXED

FORM 88 - (PRODUCER'S SPECIAL) (PAID-	UP)		Reorder No.	Kansas Blue Print
63U (Rev. 1993)	OIL AND GAS	LEASE	09-115	Wichita, KS 67201-0793 316-264-9344 - 264-5165 fax www.kbp.com • kbp@kbp.com
AGREEMENT, Made and entered into the	22nd day of April	1		2011
by and between Keith L. Smith,	a/k/a Keith Smith and	Jessie I. Smith	, husband ar	nd wife
	h Ave., Attica, KS 6			Lessor (whether one or more),
and <u>DK Operating</u> , Inc.				
		10	00+	, hereinafter caller Lessee:
Lessor, in consideration of	s, and air into subsurface strata, laying pipe l t, manufacture, process, store and transport s	ines, storing oil, building tanks, aid oil, liquid hydrocarbons, gase ting described land, together wit	power stations, telepho es and their respective c h any reversionary righ	ne lines, and other structures onstituent products and other ts and after-acquired interest,
	The South Half $(S^{\frac{1}{2}})$			
In Section <u>17</u> , Township <u>2</u>	L South Range 22 West	, and containing	<u>320</u>	_ acres, more or less, and all
Subject to the provisions herein contained, th as oil, liquid hydrocarbons, gas or other respective co In consideration of the premises the said less	ee covenants and agrees:			
Ist. To deliver to the credit of lessor, free o from the leased premises. 2nd. To pay lessor for gas of whatsoever n at the market price at the well, (but, as to gas sold	ature or kind produced and sold, or used of by lessee, in no event more than one eighth	f the premises, or used in the mat (%) of the proceeds received by	anufacture of any produ lessee from such sales)	icts therefrom, one-eighth $(\frac{1}{2})$, for the gas sold, used off the sed, lessee may pay or tender
premises, or in the manufacture of products therefro as royalty One Dollar (\$1.00) per year per net mine meaning of the preceding paragraph.	m, said payments to be made monthly. Wh ral acre retained hereunder, and if such pa	ayment or tender is made it will	be considered that gas	is being produced within the
This lease may be maintained during the p of this lease or any extension thereof, the lessee sha found in paying quantities, this lease shall continue If said lessor owns a less interest in the ab the said lessor only in the proportion which lessor's Lessee shall have the right to use, free of cos	Il have the right to drill such well to comp and be in force with like effect as if such we ove described land than the entire and und interest hears to the whole and undivided fe	ell had been completed within the divided fee simple estate therein e.	, then the royalties her	ntioned. ein provided for shall be paid
When requested by lessor, lessee shall bury l No well shall be drilled nearer than 200 feet Lessee shall pay for damages caused by less	essee's pipe lines below plow depth. to the house or barn now on said premises v	vithout written consent of lessor		
Lessee shall have the right at any time to re If the estate of either party hereto is assig executors, administrators, successors or assigns, bu lessee has been furnished with a written transfer or	move all machinery and fixtures placed on a ned, and the privilege of assigning in who it no change in the ownership of the land assignment or a true copy thereof. In case	aid premises, including the righ ole or in part is expressly allow	ed, the covenants here valties shall be binding	of shall extend to their helfs
with respect to the assigned portion or portions arisi Lessee may at any time execute and deliver surrender this lease as to such portion or portions ar All express or implied covenants of this lease in whole or in part, nor lessee held liable in damagy	to lessor or place of record a release or re d be relieved of all obligations as to the acr	eage surrendered. Louis Executive Orders Rules of	r Regulations, and this	lease shall not be terminated
in whole or in part, nor lessee held liable in damage Regulation. Lessor hereby warrants and agrees to defend any mortgages, taxes or other liens on the above de signed lessors, for themselves and their heirs, succ	the title to the lands herein described, and a	agrees that the lessee shall have	the right at any time to ted to the rights of the	redeem for lessor, by paymen holder thereof, and the under
as said right of dower and homestead may in any w Lessee, at its option, is hereby given the rig immediate vicinity thereof, when in lessee's judge conservation of oil, gas or other minerals in and u or units not exceeding 40 acress each in the event o record in the conveyance records of the county in pooled into a tract or unit shall be treated, for all p found on the pooled acreage, it shall be treated as if royalties elsewhere herein specified, lessor shall r- placed in the unit or his royalty interest therein on a	ay affect the purposes for which this lease is ht and power to pool or combine the acreage tent it is necessary or advisable to do so hder and that may be produced from said p f an oil well, or into a unit or units not exc which the land herein leased is situated a surposes except the payment of royalties on production is had from this lease, whether review on production from a unit so poole	made, as rectual nervin. re covered by this lesse or any g in order to properly develop an remises, such pooling to be of tr reding 640 acres each in the eve in instrument identifying and c production from the pooled unii the well or wells be located on th only such portion of the royu	contion thereof with oth od operate said lease p acts contiguous to one ent of a gas well. Lesse lescribing the pooled a t, as if it were included he premises covered by i alty stipulated herein a	er land, lease or leases in the remises so as to promote the another and to be into a unit a shall execute in writing ano- creage. The entire acreage so in this lease. If production in this lease or not. In lieu of the
This lease is subject to a become effective upon the this lease is paid in full	expiration of said exi	expires on May 1 sting lease. Th	30, 2011. T ne bonus con	his lease shal sideration for
IN WITNESS WHEREOF, the undersigned Witnesses:	execute this instrument as of the day and ye	ear first above written.	17	<
Kitto J. In	17A	Acenio	J. Sm	lth
Keith L. Smith		Jessie I. S	Smith	
224 ,	- 1			

SS# ,-