



For KCC Use:  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1094872  
 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: \_\_\_\_\_  
 month day year

OPERATOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address 1: \_\_\_\_\_  
 Address 2: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ + \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 CONTRACTOR: License# \_\_\_\_\_  
 Name: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

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

Spot Description: \_\_\_\_\_  
 \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
 (Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section  
 Is SECTION:  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

County: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ Well #: \_\_\_\_\_  
 Field Name: \_\_\_\_\_  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): \_\_\_\_\_  
 Nearest Lease or unit boundary line (in footage): \_\_\_\_\_  
 Ground Surface Elevation: \_\_\_\_\_ feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No  
 Depth to bottom of fresh water: \_\_\_\_\_  
 Depth to bottom of usable water: \_\_\_\_\_  
 Surface Pipe by Alternate:  I  II  
 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:  
 Well  Farm Pond  Other: \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_  
 (Note: Apply for Permit with DWR  )  
 Will Cores be taken?  Yes  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 - _____
Conductor pipe required _____ feet
Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II
Approved by: _____
<b>This authorization expires:</b> _____ (This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

**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: \_\_\_\_\_

E  
 W



1094872

**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

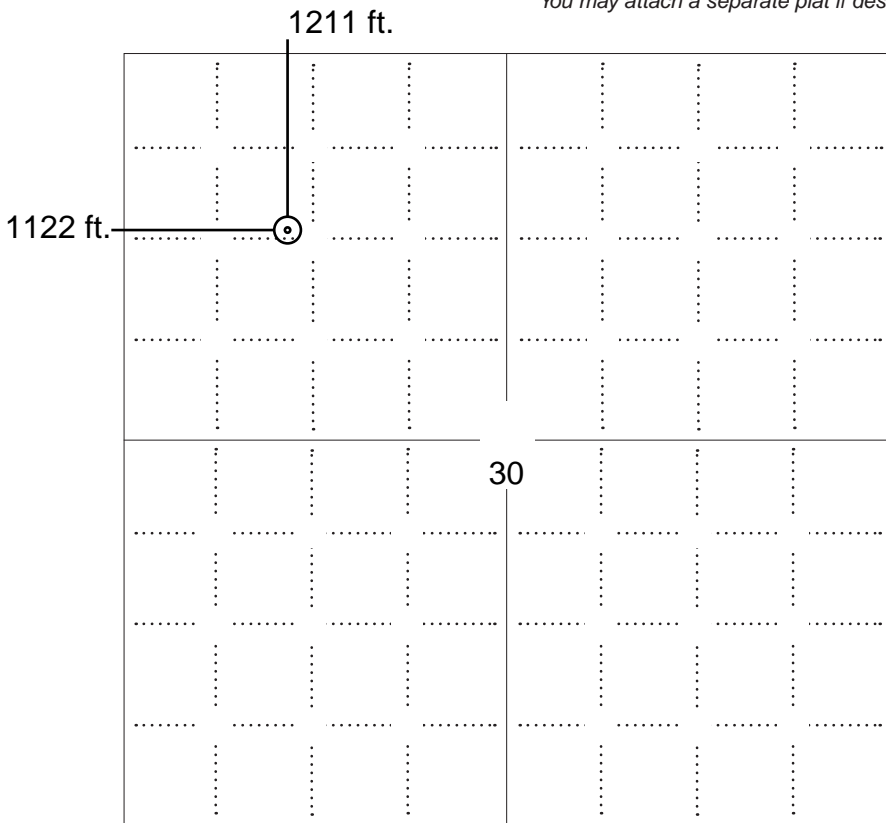
Is Section:  Regular or  Irregular

**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.



**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)	
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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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><b>Submitted Electronically</b></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



**McCoy, Virginia 30-4**  
**NW/4 - 30-28S-19E**  
**1" = 500'**

-  Well Proposal
-  4" NG/3" WA Proposed Pipes
-  Anticipated Road Ingress & Egress
-  Anticipated Electrical Line

This plat is being submitted to the surface owner as well as the KCC to comply with the Kansas Surface Owner Notification Act. This plat shows the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on this plat are preliminary non-binding estimates.

## Agreement

This Agreement made and entered into this 5<sup>th</sup> day of September, 2012 by and between the following parties, to wit:

PostRock MidContinent Production LLC  
210 Park Avenue, Suite 2750  
Oklahoma City, OK 73102

Hereinafter referred to as "PostRock", and

Marjorie F. Neely, Trustee of the William G. Neely Trust  
8150 170<sup>th</sup> Road  
Chanute, KS 66720

James P. and Colleen M. Neely, hw  
9050 140<sup>th</sup> Road  
Chanute, KS 66720

Hereinafter referred to as "Neely",

Virginia McCoy  
16355 Jackson Road  
Chanute, KS 66720

Hereinafter referred to as "McCoy". Neely and McCoy shall hereinafter be referred to collectively as "Lessors".

WHEREAS, PostRock owns and operates and Neely is the current owner of royalty interest in and to the following described oil and gas leases:

Lessor:	William G. Neely & Marjorie F. Neely, Trustees of the William G. Neely Trust
Lessee:	Quest Cherokee, LLC
Lease(s) Date:	December 19, 2005
Recorded:	Book 361, Page 239
Description:	<u>Section 30, Township 28 South, Range 19 East</u> E/2 NW/4
Lessor:	William G. Neely & Marjorie F. Neely, Trustees of the William G. Neely Trust and James P. Neely and Colleen M. Neely, hw
Lessee:	Quest Cherokee, LLC
Lease(s) Date:	December 19, 2005
Recorded:	Book 361, Page 251
Description:	<u>Section 30, Township 28 South, Range 19 East</u> NW/4 NE/4; N/2 SW/4 NE/4 & SE/4 SW/4 NE/4
Lessor:	Marjorie F. Neely, Trustee under the William G. Neely Trust dated February 1, 2003

Lessee: PostRock MidContinent Production, LLC  
Lease(s) Date: July 23, 2012  
Recorded: Book 464, Page 319  
Description: Section 30, Township 28 South, Range 19 East  
SW/4 SW/4 NE/4

WHEREAS, PostRock owns and operates and McCoy is the current owner of royalty interest in and to the following described oil and gas lease:

Lessor: Virginia McCoy  
Lessee: Devon SFS Operating, Inc.  
Lease(s) Date: October 14, 2002  
Recorded: Book 147M, Page 131  
Description: Section 30, Township 28 South, Range 19 East  
Lots 1 & 2 a/d/a W/2 NW/4

WHEREAS, to promote conservation and increase the ultimate recovery of oil from the oil and gas leases referred to herein, PostRock desires to unitize said leases in a unit to be known as the Neely-McCoy oil unit.

WHEREAS, PostRock and the Lessors desire to allow the Neely-McCoy oil unit and to agree upon the sharing of royalties on oil produced from said unit.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein it is mutually agreed as follows:

1. Lessors hereby grant PostRock the right and privilege to pool and consolidate the oil leasehold estates of the Neely and McCoy leases into the Neely-McCoy Oil Unit consisting of 240.00 acres, more or less, for the production of oil from all formation(s) and strata, insofar as the Lease(s) cover all or portions of the following described lands:

NW/4 & W/2 NE/4 of Section 30, Township 28 South, Range  
19 East, Neosho County, Kansas

2. Lessors agree that royalties from all wells, either currently in existence or to be drilled, in the Neely-McCoy Oil Unit shall be paid based on the percentage of net acres each contributes to the 240 acre unit.
3. Lessors agree that operations to be conducted could potentially consist of secondary recovery by the injection of water, gas, other fluids or substances, or combinations thereof, deemed necessary or desirable to increase the ultimate recovery of oil from the unitized lands and formations.
4. Lessors agree that the express and implied terms and conditions of their respective oil and gas leases shall be modified, amended and supplemented by the terms of this Agreement.
5. This Agreement shall continue in full force and effect so long as oil is produced from the Neely-McCoy oil unit.
6. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, devisees, successors, and assigns, and shall constitute a covenant running with the land, oil and gas leases and interests covered hereby.
7. This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument.

8. This Agreement constitutes the entire Agreement and understanding of the parties with respect to the subject matter hereof and shall supersede all negotiations, prior discussions and prior agreements or understandings relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, this instrument is executed this 17<sup>th</sup> day of September, 2012.

**PostRock MidContinent Production, LLC**  
By: PostRock Energy Services Corporation, its sole member

By: Stephen L. DeGiusti  
Stephen L. DeGiusti, Secretary and Treasurer

STATE OF OKLAHOMA )  
 ) SS:  
COUNTY OF OKLAHOMA )

This instrument was acknowledged before me on the 17<sup>th</sup> day of Sept, 2012 by Stephen L. DeGiusti as Secretary and Treasurer of PostRock Energy Services Corporation.



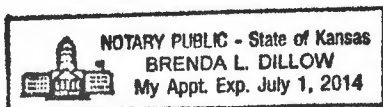
(seal, if any)

[Signature]  
Notary Public  
My Commission Expires: 5/23/2012

Marjorie F. Neely  
Marjorie F. Neely, Trustee

STATE OF KANSAS )  
 ) SS:  
COUNTY OF NEOSHO )

This instrument was acknowledged before me on the 30<sup>th</sup> day of August, 2012 by Marjorie F. Neely, as Trustee under the William G. Neely Trust dated February 1, 2003.



(seal, if any)

Brenda L. Dillow  
Notary Public  
My Commission Expires: 7-1-2014

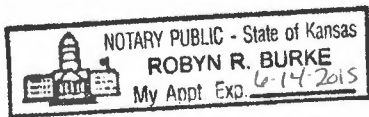


James P. Neely  
James P. Neely

Colleen M. Neely  
Colleen M. Neely

STATE OF KANSAS     )  
                                  ) SS:  
COUNTY OF NEOSHO    )

This instrument was acknowledged before me on the 31<sup>st</sup> day of August, 2012 by James P. Neely and Colleen M. Neely, husband and wife, as joint tenants.



Robyn R. Burke  
Notary Public

My Commission Expires: 6/14/2015

(seal, if any)

\_\_\_\_\_  
Virginia McCoy

STATE OF KANSAS     )  
                                  ) SS:  
COUNTY OF NEOSHO    )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2012 by Virginia McCoy.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

(seal, if any)

James P. Neely

Colleen M. Neely

STATE OF KANSAS )  
 ) SS:  
COUNTY OF NEOSHO )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2012 by James P. Neely and Colleen M. Neely, husband and wife, as joint tenants.

Notary Public

My Commission Expires: \_\_\_\_\_

(seal, if any)

*Virginia McCoy*  
Virginia McCoy

*Kansas*  
STATE OF ~~OKLAHOMA~~ )  
 ) SS:  
COUNTY OF ~~OKLAHOMA~~ )  
*Neosho*

This instrument was acknowledged before me on the 5<sup>th</sup> day of September 2012 by Virginia McCoy.



*Clete W. Hudson*  
Notary Public

My Commission Expires: 12-13-14

(seal, if any)

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  
Thomas E. Wright, Commissioner  
Shari Feist Albrecht, Commissioner

Sam Brownback, Governor

October 01, 2012

CLARK EDWARDS  
PostRock Midcontinent Production LLC  
Oklahoma Tower  
210 Park Ave, Ste 2750  
OKLAHOMA CITY, OK 73102

Re: Drilling Pit Application  
MCCOY, VIRGINIA 30-4  
NW/4 Sec.30-28S-19E  
Neosho County, Kansas

Dear CLARK EDWARDS:

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.

**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) 432-2300 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) 432-2300.