

For KC	C Use:			
Effective	Date:			_
District #	‡			_
SGA?	Yes	No		

SGA?

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

	Surface Owner Notification Act, MUST be submitted with this form.
Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	(O/O/O/O) feet from N / S Line of Sectio
Name:	feet from E / W Line of Sectio
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):
W # D # 4 F	Nearest Lease or unit boundary line (in footage):
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation:feet MS
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile: Yes N
Disposal Wildcat Cable	Depth to bottom of fresh water:
Seismic ; # of Holes Other	Depth to bottom of usable water:
Other:	Surface Pipe by Alternate: I II
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
<u> </u>	Length of Conductor Pipe (if any):
Operator:	Projected Total Depth:
Well Name: Original Total Depth:	Formation at Total Depth:
Original Completion Date Original Total Depth	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
f Yes, true vertical depth:	
Bottom Hole Location:	DWR Permit #:(Note: Apply for Permit with DWR)
(CC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	11 166, proposed 20116.
AFF	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual plu	gging 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 <i>prior</i> 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	
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 dist	, , , , , , , , , , , , , , , , , , ,
5. The appropriate district office will be notified before well is either plugg	, ,
	d from below any usable water to surface within 120 DAYS of spud date.
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented	
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1	33,891-C, which applies to the KCC District 3 area, alternate II cementing
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1	
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1	33,891-C, which applies to the KCC District 3 area, alternate II cementing
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be	33,891-C, which applies to the KCC District 3 area, alternate II cementing
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be	33,891-C, which applies to the KCC District 3 area, alternate II cementing
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically	33,891-C, which applies to the KCC District 3 area, alternate II cementing
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be	33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically	33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing. **Remember to:
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15 -	 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing. <i>Remember to:</i> 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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15	33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing. 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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15	33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. In all cases, NOTIFY district office prior to any cementing. 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;
Or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 must be completed within 30 days of the spud date or the well shall be ubmitted Electronically For KCC Use ONLY API # 15	 33,891-C, which applies to the KCC District 3 area, alternate II cementing plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing. <i>Remember to:</i> 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;

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

Agent:

Spud date:

- 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.

Date:
2

Side Two



SEWARD CO. 3390' FEL

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
Number of Acres attributable to well:	is Section. Regular of Integular
QTR/QTR/QTR of acreage:	-
	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW
	PLAT
Show location of the well. Show foo	stage to the nearest lease or unit boundary line. Show the predicted locations of
	electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).
	You may attach a separate plat if desired.
2291 ft.	
: : :	· : :
	LEGEND
	LEGEND
	O Well Location
	Tank Battery Location
: : .	Pipeline Location
: : :	: : : Electric Line Location
	Lease Road Location
: : . : .	: : : : : Lease Noau Location
	: : :
1780 ft.———	
	EXAMPLE EXAMPLE
22	
23	
: : :	
	1980' FSL
: : :	
	· · · · · · · · · · · · · · · · · · ·

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.

NOTE: In all cases locate the spot of the proposed drilling locaton.

- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

97753 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: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water A	Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls)		SecTwp R East WestFeet from North / South Line of Section Feet from East / West Line of Section County mg/l	
Is the bottom below ground level? Yes No Yes No		No	(For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):Length (fee			Width (feet)	
If the pit is lined give a brief description of the li material, thickness and installation procedure.	ner		dures for periodic maintenance and determining acluding any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:	
feet Depth of water wellfeet		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 s flow into the pit? Yes No Submitted Electronically		Type of materia Number of work Abandonment p Drill pits must b	over and Haul-Off Pits ONLY: all utilized in drilling/workover: king pits to be utilized: procedure: de closed within 365 days of spud date.	
	KCC	OFFICE USE O	NLY Liner Steel Pit RFAC RFAS	
Date Received: Permit Num	ber:	Permi	t Date: Lease Inspection: Yes No	



Kansas Corporation Commission Oil & Gas Conservation Division

1097753

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 #	Well Location:		
	County:		
Address 1:	Lease Name: Well #:		
Address 2: State: 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 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 1:			
Address 2:	county, and in the real estate property tax records of the county treasurer.		
City:			
the KCC with a plat showing the predicted locations of lease roads, tan are preliminary non-binding estimates. The locations may be entered of Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be I CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface or	Act (House Bill 2032), I have provided the following to the surface ocated: 1) a copy of the Form C-1, Form CB-1, Form CB-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address. acknowledge that, because I have not provided this information, the wner(s). To mitigate the additional cost of the KCC performing this gree, payable to the KCC, which is enclosed with this form.		
If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1 will be returned.		
Submitted Electronically			
[_		



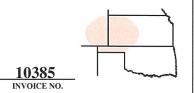
Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324

Garden City, Kansas 67846 Office/Fax: (620) 276-6159

Cell: (620) 272-1499



Palomino Petroleum, Inc.

Ness County, KS

COUNTY

OPERATOR

231824bar

23 18s 24w Sec. Twp. Rng. LEASE NAME 2291' FNL – 1780' FWL

#1 Otto

LOCATION SPOT

SCALE: 1" =1000'

DATE: Oct. 10th, 2012

MEASURED BY: Ben R.

DRAWN BY: Luke R.

AUTHORIZED BY: Klee W.

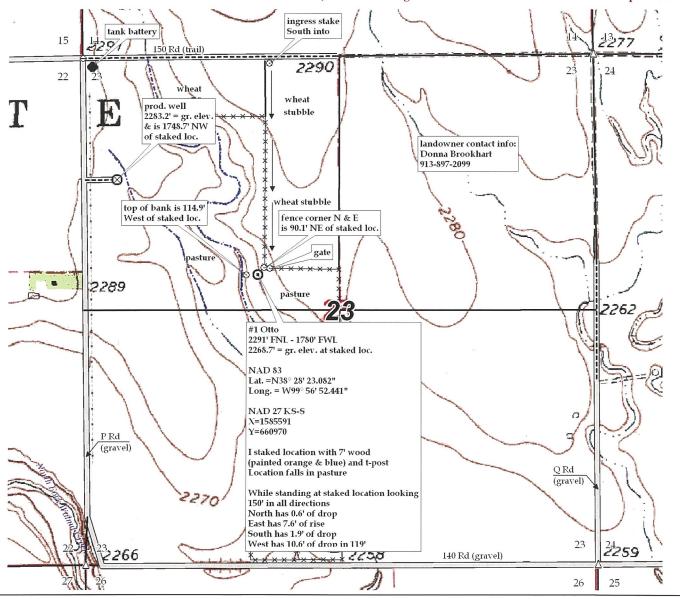
This drawing does not constitute a monumented survey or a land survey plat.

This drawing is for construction purposes only.

GR. ELEVATION: 2268.7°

Directions: From the center of Ness City, KS at the intersection of Hwy 96 and Hwy 283 – Now go West 0.6 miles on Hwy 96 – Now go 0.8 miles North on R Rd – Now go 2 miles West on 140 Rd to the SW corner of 23-18s-24w – Now go 1 mile North on P Rd – Now go 0.4 mile East on 150 Rd to ingress stake South into – Now go approx. 2210' South through wheat stubble to gate – Now go approx. 100' SW through pasture into staked location.

Final ingress must be verified with land owner or Operator.





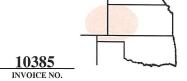
Pro-Stake LLC

Oil Field & Construction Site Staking

P.O. Box 2324

Garden City, Kansas 67846 Office/Fax: (620) 276-6159

Cell: (620) 272-1499



Palomino Petroleum, Inc.

Ness County, KS

COUNTY

OPERATOR

231824bar

PLAT NO.

23 18s 24w Sec. Twp. Rng. #1 Otto LEASE NAME 2291' FNL – 1780' FWL

LOCATION SPOT

SCALE: 1" =1000'

DATE: Oct. 10th, 2012

MEASURED BY: Ben R.

DRAWN BY: Luke R.

AUTHORIZED BY: Klee W.

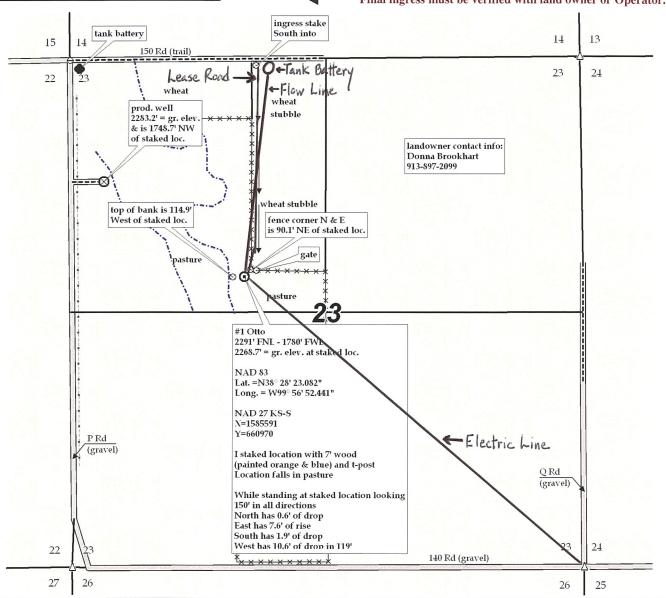
This drawing does not constitute a monumented survey or a land survey plat.

This drawing is for construction purposes only.

GR. ELEVATION: 2268.7°

Directions: From the center of Ness City, KS at the intersection of Hwy 96 and Hwy 283 – Now go West 0.6 miles on Hwy 96 – Now go 0.8 miles North on R Rd – Now go 2 miles West on 140 Rd to the SW corner of 23-18s-24w – Now go 1 mile North on P Rd – Now go 0.4 mile East on 150 Rd to ingress stake South into – Now go approx. 2210' South through wheat stubble to gate – Now go approx. 100' SW through pasture into staked location.

Final ingress must be verified with land owner or Operator.



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/

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner

October 18, 2012

Klee R. Watchous Palomino Petroleum, Inc. 4924 SE 84TH ST NEWTON, KS 67114-8827

Re: Drilling Pit Application Otto 1 NW/4 Sec.23-18S-24W Ness County, Kansas

Dear Klee R. Watchous:

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 within 96 hours of completion of drilling operations. KEEP PITS on east side of stake.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to **Drill**. If you have any questions or concerns please feel free to contact the District Office at (620) 225-8888.