

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

Kansas Corporation Commission Oil & Gas Conservation Division

1113501

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

NOTICE OF INTENT TO DRILL

	e (5) days prior to commencing well Surface Owner Notification Act, MUST be submitted with this form.
Expected Spud Date:	Spot Description:
month day year	
	(Q/Q/Q/Q) section N / S Line of Section
OPERATOR: License#	feet from E / W Line of Section
Name:	Is SECTION: Regular Irregular?
Address 1:	
Address 2: State: Zip: +	(Note: Locate well on the Section Plat on reverse side)
Contact Person:	County:
Phone:	Lease Name: Well #:
CONTRACTOR: Lineary	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field?
Name:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile: Yes No
Disposal Wildcat Cable	Public water supply well within one mile: Yes No
Seismic;# of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
	Surface Pipe by Alternate: I II
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original 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:	
Bottom Hole Location:	(Note: Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual pl	ugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:	
 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	5 5,
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	trict office on plug length and placement is necessary prior to plugging ;
5. The appropriate district office will be notified before well is either plug.	, , , , , , , , , , , , , , , , , , , ,
11 1	ed from below any usable water to surface within 120 DAYS of spud date.
	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	e plugged. In all cases, NOTIFY district office prior to any cementing.
Submitted Electronically	
,	Remember to:
For KCC Use ONLY	- File Certification of Compliance with the Kansas Surface Owner Notification
API # 15	Act (KSONA-1) with Intent to Drill;
	- File Drill Pit Application (form CDP-1) with Intent to Drill;
Conductor pipe requiredfeet	- File Completion Form ACO-1 within 120 days of spud date;
Minimum surface pipe requiredfeet per ALTIII	- File acreage attribution plat according to field proration orders;
Approved by:	- Notify appropriate district office 48 hours prior to workover or re-entry;
This authorization expires:	- Submit plugging report (CP-4) after plugging is completed (within 60 days);
(This authorization void if drilling not started within 12 months of approval date.)	- Obtain written approval before disposing or injecting salt water.
i l	If wall will not be drilled or permit has expired (See: authorized expiration data)

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

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.

Well will not be drilled or Permit Expired	Date:
Signature of Operator or Agent:	



For KCC Use ONLY	
API # 15	

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

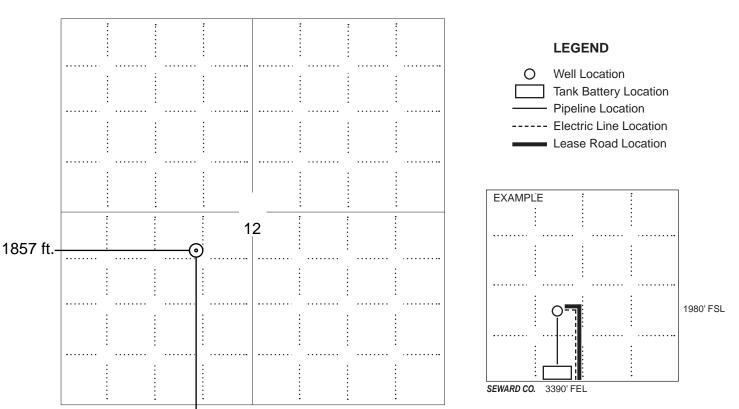
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

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 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.



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

2111 ft.

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.



Kansas Corporation Commission Oil & Gas Conservation Division

1113501 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	SecTwp R	
Settling Pit Drilling Pit If Existing, date co		nstructed:	Feet from North / South Line of Section	
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section	
		(bbls)	County	
Is the pit located in a Sensitive Ground Water A	rea? 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 No	Yes N	No		
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet)N/A: Steel Pits	
	om ground level to dee			
If the pit is lined give a brief description of the li material, thickness and installation procedure.	ner		dures for periodic maintenance and determining cluding any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallowest fresh water feet. Source of information:		
feet Depth of water well	feet	measured	well owner electric log KDWR	
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over 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?		Drill pits must be closed within 365 days of spud date.		
Submitted Electronically				
	ксс	OFFICE USE O	NLY Liner Steel Pit RFAC RFAS	
Date Received: Permit Num	her·	Permi	t Date: Lease Inspection: Yes No	



1113501

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 (C	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R 🔲 East 🗌 West
Address 1:	County:
Address 2:	Lease Name: Well #:
City:	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:	
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
Select one of the following:	
owner(s) of the land upon which the subject well is or will be loce CP-1 that I am filing in connection with this form; 2) if the form the form; and 3) my operator name, address, phone number, fax, and I have not provided this information to the surface owner(s). I an KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the ner(s). To mitigate the additional cost of the KCC performing this
task, I acknowledge that I am being charged a \$30.00 handling 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
Submitted Electronically	

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.

				Location of \	Well: County:	
Lease:						eet from N / S Line of Section
Well Numb	er:					eet from E / W Line of Section
Field:				Sec	Twp	S. R
Number of	Acres attributab	ole to well:		— Is Section:	Regular or	Irregular
QTR/QTR/	QTR/QTR of ac	reage:			Tregular or	megulai
				If Section is	s Irregular, locate w	ell from nearest corner boundary.
				Section corr	ner used: NE	NW SE SW
				PLAT		
	Show lo	ocation of the well. Sho	w footage to the neare		ndary line. Show the	predicted locations of
			-			Notice Act (House Bill 2032).
	Dana Caunt		You may attach	a separate plat if de	sired.	
	Reno Count	y 			\neg	
		I 무:				
	:					LEGEND
		···· ; j.·····		:	· C	Well Location
						Well Location Tank Battery Location
					. C	Tank Battery Location Pipeline Location Electric Line Location
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						Tank Battery Location Pipeline Location Electric Line Location
						Tank Battery Location Pipeline Location Electric Line Location Lease Road Location
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11' FSL						Tank Battery Location Pipeline Location Electric Line Location Lease Road Location
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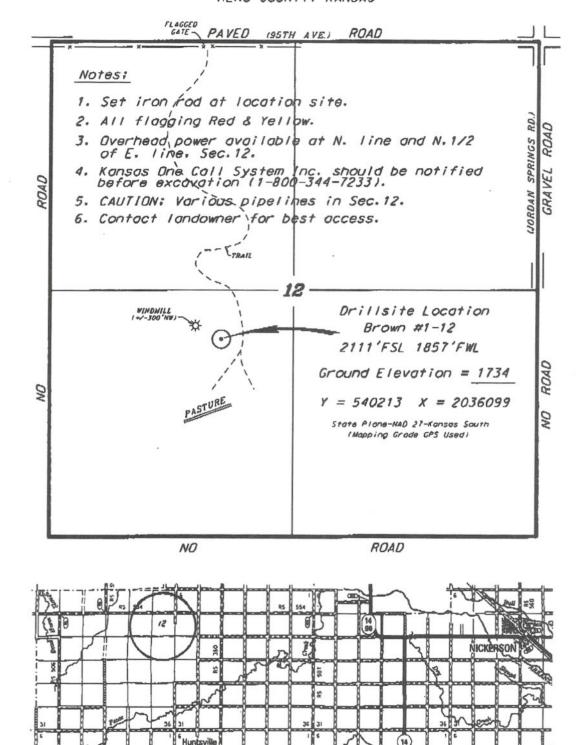
 ${\it NOTE: In all \ cases \ locate \ the \ spot \ of \ the \ proposed \ drilling \ locaton.}$

1857' FWL

In plotting the proposed location of the well, you must show:

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- 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.

SHELBY RESOURCES, LLC/CAPTIVA II, LLC BROWN LEASE 5W. 1/4. SECTION 12. T225. R10W RENO COUNTY, KANSAS



- # Controlling and is based upon the best maps and photographs available to us and upon section of land containing LAB acres.
- Biggravinate section lined were determined using the normal standard of care of diffet surveyors prosticing in the state of Kahasa. The section commers, which statists may bracise section lines, not quadrated. The refers, the commercial section is service and occepting mis set and or or not quadrated. The refers, the commercial section is service and occepting mis set and of one perfect relying thereon agree to haid Control Kanasa Diffet is services. Inc., its difficult of smalleyes humaless from util (adds), addits and suppress and each smilles released from any liquidity from incipantal or consequential damages.

shown on this t be legally adowner.

as a

plot is opened f

February 1. 2013

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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

February 07, 2013

Chris Gottschalk Shelby Resources LLC 2717 Canal Blvd. Suite C HAYS, KS 67601

Re: Drilling Pit Application Brown 1-12 SW/4 Sec.12-22S-10W Reno County, Kansas

Dear Chris Gottschalk:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or native clay, constructed <u>without slots</u>, 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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours 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 (316) 630-4000 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 (316) 630-4000.