For KCC Use:

Eff	e	ct	iv	e	Date
<b>—</b> ·					

District	#	

Yes No SGA?

# 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

NOTICE (	OF INTENT	<b>TO DRILL</b>
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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:	Spot Description:
month  day  year    OPERATOR:  License#	
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# Name:	Is this a Prorated / Spaced Field? Yes No
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):      Ground Surface Elevation:
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:
KCC DKT #:	
	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.

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	jent:

#### 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.

ш

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



For KCC Use ONLY

API # 15 - .

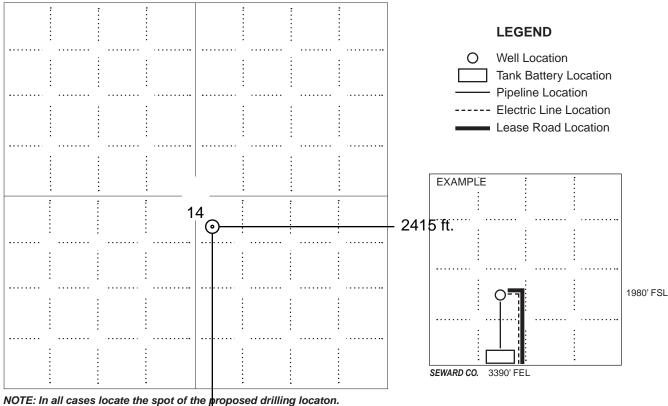
# IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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 E 📃 W
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.



# 2217 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.

Side Two

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1141080

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		SecTwpR East West	
Settling Pit Drilling Pit	If Existing, date constructed:		Feet from North / South Line of Section	
U Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from East / West Line of Section	
		(bbls)		
Is the pit located in a Sensitive Ground Water A	vrea?	No	Chloride concentration: (For Emergency F	mg/l Pits and Settling Pits only)
Is the bottom below ground level?  Artificial Liner?    Yes  No		How is the pit lined if a plastic li	ner is not used?	
Pit dimensions (all but working pits):	Length (fe	et)	Width (feet)	N/A: Steel Pits
Depth fro	om ground level to dee	epest point:	(feet)	No Pit
Distance to nearest water well within one-mile of pit:  Depth to shallowest fresh water feet.				
feet Depth of water wellfeet		Source of inform		lectric log KDWR
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      Liner    Steel Pit    RFAC    RFAS				
Date Received: Permit Num	ber:	Permi	t Date: Lease	Inspection: Yes No

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

	COMPLIANCE WITH TH	All blanks must be Filled
This form must be submitted with all Forms C-1 (Notice of T-1 (Request for Change of Operator Transfer of Injection Any such form submitted without an according Select the corresponding form being filed: C-1 (Intent) CB-1	or Surface Pit Permit); and CP-1 ompanying Form KSONA-1 will be	(Well Plugging Application). e returned.
OPERATOR: License #	County: Lease Name:	_TwpS. R East West Well #: ells on a lease, enter the legal description of
Surface Owner Information:      Name:      Address 1:      Address 2:      City:	sheet listing all of the information owner information can be found in	multiple surface owners, attach an additional n to the left for each surface owner. Surface in the records of the register of deeds for the perty 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:

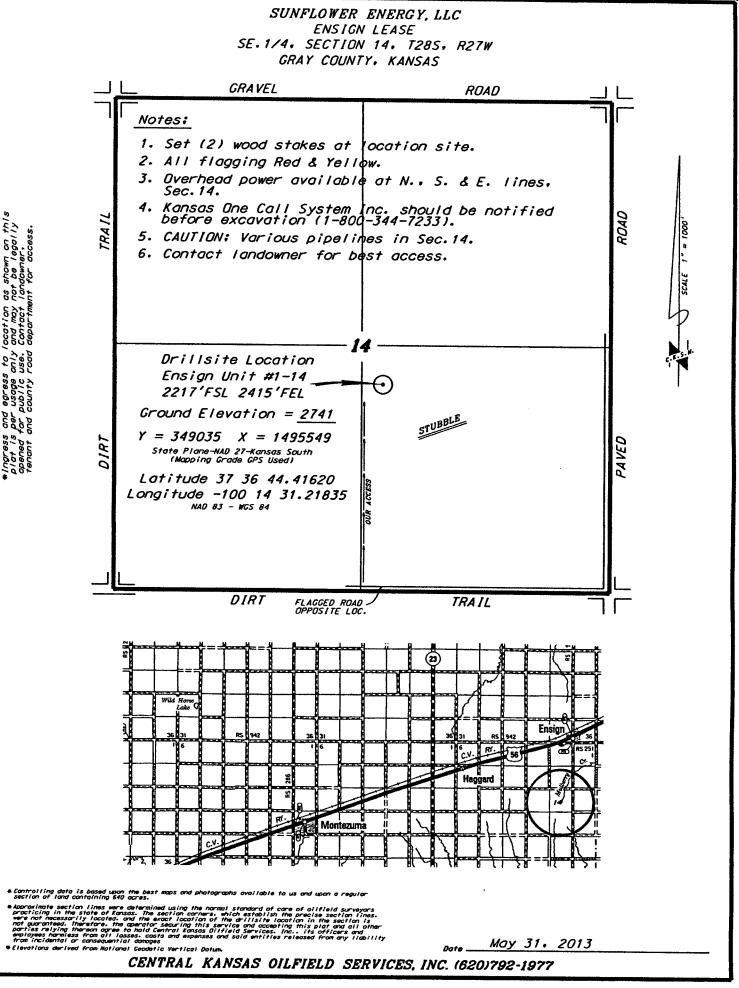
- □ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with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

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# DECLARATION OF UNITIZATION

#### STATE OF KANSAS

#### COUNTY OF GRAY

This Declaration of Unitization, made and entered into the 7th day of March, 2013, by Sunflower Energy, LLC, hereinafter referred to as Lessee:

## KNOW ALL MEN BY THESE PRESENTS: That

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WHEREAS, Lessee is the owner and holder of the following described Oil and Gas Leases, hereinafter referred to as the "Subject Leases", recorded in and covering lands situated in Gray County, Kansas:

Lease date: Lessor: Lessee: Recorded: Description:	February 6, 2013 C & N Farms, Inc. Sunflower Energy, LLC Book 93, Page 429 <u>Township 28 South, Range 27 West</u> Section 14: SE/4
Lease date:	February 7, 2013
Lessor:	Verna M. Smith
Lessee:	Sunflower Energy, LLC
Recorded:	Book 93, Page 427
Description:	Township 28 South, Range 27 West

#### WHEREAS, all of the Subject Leases provide in Paragraph 14 as follows:

Section 14: SW/4

"Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases 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 the conservation of such minerals in and under said land, such pooling to be in a unit 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 and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units 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 any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved."

WHEREAS, Lessee has determined in its judgment that it is necessary, advisable and advantageous to pool, unitize and consolidate the oil rights in and under a portion of the acreage and lands covered by the Subject Leases to promote conservation of oil, gas and other minerals in and under and that may be produced from said premises, to properly develop and operate the land and interests being pooled as one oil operating unit, upon the terms and conditions hereinafter provided, and as provided in the Subject Leases, and

WHEREAS, the Subject Leases, and the portions thereof to be pooled, unitized, combined and consolidated, are in the immediate vicinity of each other and are contiguous to one another as to form a compact unit, and the unit being formed hereunder does not exceed 40 acres for oil, and

WHEREAS, at the present time there is no governmental regulation or order prescribing a spacing pattern for the development of a field wherein the pooled lands or a portion thereof, are located, and

WHEREAS, the pooling hereunder shall be effective the 7th day of March, 2013, and

WHEREAS, Lessee does now desire to declare their purpose to pool, unitize, combine and consolidate the oil rights only, to the extent set out herein, in and to certain lands covered by the Subject Leases into a single oil unit, as hereinafter described.

NOW THEREFORE, in consideration of the premises, the execution of this Declaration and the mutual covenants herein to be performed, and other good and valuable consideration, Lessees, pursuant to the above and foregoing recitals and the terms and conditions of the Subject Leases, do hereby execute this Declaration of Unitization and do hereby create and form an oil unit of said leases and land, including

Lessors' royalty interest, as to oil rights only, insofar and only insofar as said leases and land included within the pool and oil unit described as follows, to wit:

Township 28 South, Range 27 West Section 14: E/2NE/4SW/4, W/2NW/4SE/4

Gray County, Kansas,

containing 40 acres, more or less,

to the same extent as if said oil leasehold estates had originally been included in one Oil and Gas Lease, which pooled, unitized and consolidated area shall include within the same all lands covered by the Subject Leases insofar and only insofar as the same are included within the above described oil unit.

THIS Declaration and the terms and conditions hereof shall extend to and be binding upon all persons having any right, title or interests of any kind or character in and to the Subject Leases, including Lessors' rights thereunder, their respective heirs, successors and assigns.

IN WITNESS WHEREOF, Lessee has hereunto caused this Declaration of Unitization to be executed as of the day and year first above written.

SUNFLOWER ENERGY, LLC

By:

William P. Moore, Managing Partner

STATE OF KANSAS COUNTY OF JOHNSON

Ss. ACKNOWLEDGMENT FOR INDIVIDUAL

This instrument was acknowledged to me on this \_\_\_\_\_ day of March, 2013, by William P. Moore, as managing partner of Sunflower Energy, LLC, a Kansas limited liability company.

My commission expires:

Notary Public

# 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.

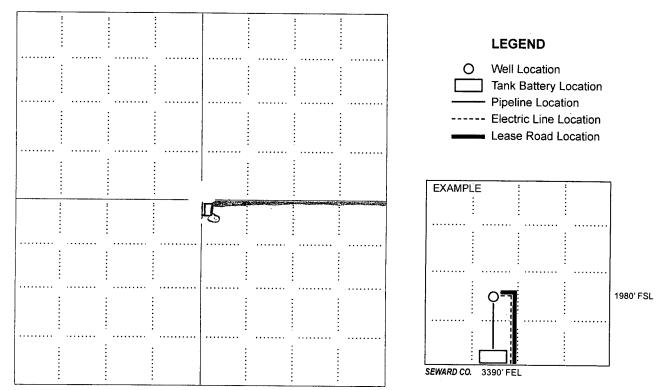
Operator: Sunflower Energy, LLC	Location of Well: County: Gray
Lease: Ensign	2,217 feet from N / X S Line of Section
Well Number: 1-14	2,415 feet from X E / W Line of Section
Field: Wildcat	Sec. <u>14</u> Twp. <u>28</u> S. R. <u>27</u> E 🛛 W
Number of Acres attributable to well:	ls Section: 🗙 Regular or 🔲 Irregular
QTR/QTR/QTR/QTR of acreage: <u>_SW</u> _ <u>NWNW</u> SE	is Section. Regular or irregular
	If Section is Irregular, locate well from nearest corner boundary.

PLAT

Section corner used: NE NW SE

sw

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.

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