

1151717

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

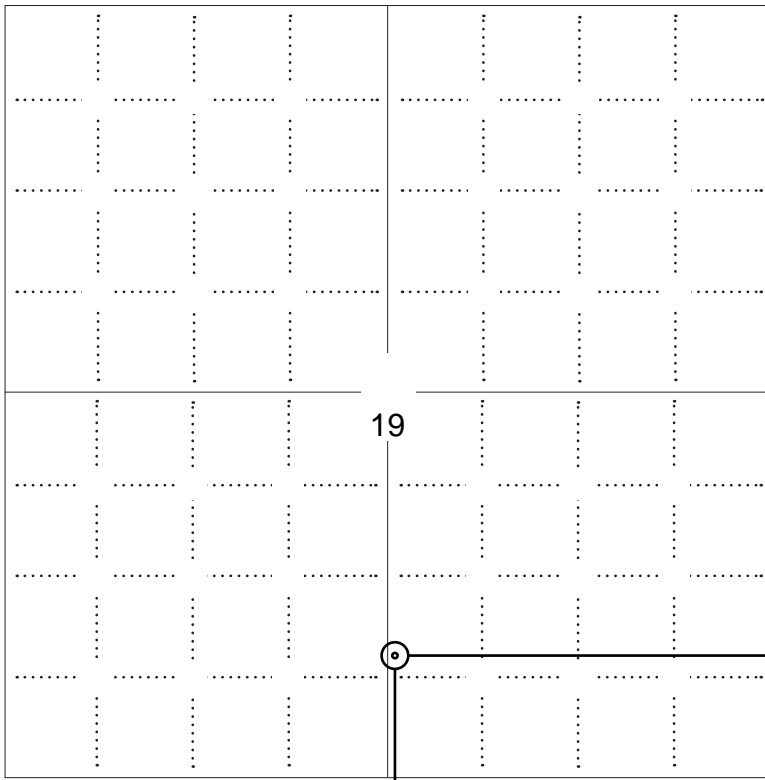
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

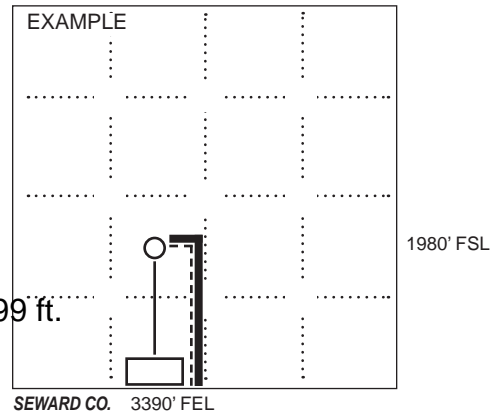
PLAT

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 location.

836 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.



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	
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 spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: 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.	
Submitted Electronically			

KCC OFFICE USE ONLY			
<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS			
Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No			



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 # _____
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

DECLARATION OF OIL UNIT

STATE OF KANSAS)
)ss
COUNTY OF GRAHAM)



STATE OF KANSAS GRAHAM COUNTY, KANSAS
JUANITA TOLL REGISTER OF DEEDS

Book: 262 Page: 246 -247

Receipt #: 35396
Pages Recorded: 2

Recording Fee: \$12.00

Juanita Toll
JST

Date Recorded: 6/21/2013 9:42:48 AM

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, COBALT ENERGY, LLC, hereinafter referred to as "Cobalt", is the owner of the following oil and gas leases described in Exhibit "A", attached hereto and made a part hereof.

WHEREAS, each of the oil and gas leases described in Exhibit "A" provides, inter alia, as follows:

"As to the Oil leasehold estate hereby granted, lessee is expressly granted the right and privilege to consolidate said Oil leasehold, or any portion thereof, with any other lease or leases to form a consolidated Oil leasehold estate which shall not exceed a total area of 80 acres; and in the event lessee exercises the right and privilege of consolidation as herein granted, the consolidated Oil leasehold estate shall be deemed, treated and operated in the same manner as though the entire consolidated leasehold estate were originally covered by and included in the lease, and all royalties which shall accrue on Oil produced and marketed from the consolidated estate, including all royalties payable hereunder, shall be prorated and paid to the lessors of the various tracts included in the consolidated estate in the same proportion that the acreage of each said lessor bears to the total acreage of the consolidated estate, and a producing Oil well on any portion of the consolidated estate shall operate to continue the oil and gas leasehold estate hereby granted so long as Oil is produced therefrom."

WHEREAS, Cobalt hereby files for record in the county in which the land is situated, this instrument identifying the pooled acreage; and that the entire acreage so pooled into a unit or units shall be treated for all purposes, except the payment of royalties on production for the pooled unit, as if it were included in the lease; and

NOW, THEREFORE, Cobalt, pursuant to the authority conferred upon it by virtue of the oil and gas leases described in Exhibit "A", does hereby consolidate the Oil leasehold estates in and to the oil and gas leases described on Exhibit "A", insofar as said oil and gas leases cover lands within the:

T06S-R25W
Sec 19: SW/4SE/4; SE/4SW/4

and containing 80 acres, more or less, as a unit for purposes of the operation, development and production of an Oil well upon the consolidated premises, and the undersigned does hereby designate the above-described adjacent and contiguous Oil leasehold estates covering the above-described lands as an adjacent and contiguous consolidated and unitized Oil leasehold estate for the purposes set forth above, to the same extent as if said Oil leasehold estates had originally been included in one oil and gas lease, such that drilling operations for Oil and production of Oil on any part of the Oil operating unit shall be treated for all purposes, except the payment of royalty on Oil, as if such drilling operations were had or such Oil production was obtained from the land described in each of said oil and gas leases, regardless of where the Oil well or wells may be located upon said Oil operating unit and, further, such that the entire acreage contained in said Oil operating unit shall be treated for all purposes, except the payment of royalties on such production of Oil from the Oil operating unit, as if said lands were included in each of said oil and gas leases described in Exhibit "A", provided however that pursuant to the terms of said oil and gas leases, Cobalt Energy, LLC, its successors and assigns, shall be under no obligation, express or implied, to drill more than one such Oil well upon the Oil operating unit.

Cobalt further declares that, pursuant to the terms of each oil and gas lease described in Exhibit "A", all royalties which shall accrue on Oil, produced and marketed from the consolidated estate, including all royalties payable hereunder, shall be prorated and paid to the lessors of the various tracts included in the consolidated estate in the same proportion that the acreage of each said lessor bears to the total acreage of the consolidated estate, and a producing Oil well on any portion of the Oil operating unit shall operate to continue the oil and gas leasehold estates created under each of the oil and gas leases described in Exhibit "A" so long as Oil is produced from any of the lands included in the Oil operating unit.

IN WITNESS WHEREOF, the undersigned has caused these premises to be executed this 20th day of June, 2013.

COBALT ENERGY, LLC

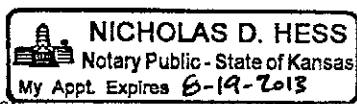
By: [Signature]
Wm D. Hess, CPL
President

ACKNOWLEDGEMENT

STATE OF KANSAS)
) SS:
COUNTY OF SEDGWICK)

BE IT REMEMBERED, that on this 20th day of June, 2013, before me, the undersigned, a notary public in and for the county and state aforesaid, came Wm D. Hess, President of Cobalt Energy, LLC, a Kansas limited liability company, and who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same for and on behalf of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



My Appointment Expires.

NICHOLAS D. HESS NotaryPublic

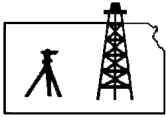
EXHIBIT "A"

Attached to and made part of that certain Declaration of Oil Unit covering the following described lands located in GRAHAM COUNTY, KANSAS, to-wit:

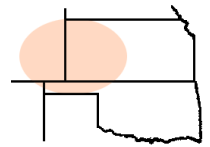
Date: April 3, 2012
Lessor: Raymond J. Slipke & Bonita L. Slipke, Trustees of the Raymond and Bonita Slipke Trust dated 12-11-2006
Lessee: Cobalt Energy, LLC
Legal: SE/4 Sec 19-T06S-R25W, Graham County, Kansas
Recording: Bk 255, Pg 209-210*
*Affidavit of Extension filed in Bk 260, Pg 598

Date: May 8, 2012
Lessor: Eugene E. David and Leinad L. David, Trustees of the David Living Trust, dated July 21, 2006
Lessee: Paramount Land, Inc.
Legal: Lot 3(35.47), Lot 4(35.53), and the East Half of the Southwest Quarter (E/2SW/4), a/d/a the Southwest Quarter (SW/4) Sec 19-T06S-R25W, Graham County, Kansas
Recording: Bk 255, Pg 570

End of Exhibit "A"



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



190625bar
 PLAT NO.

10996
 INVOICE NO.

Cobalt Energy, LLC

OPERATOR

SD Unit "A" #1-19

LEASE NAME

Graham County, KS

COUNTY

19 6s 25w
 Sec. Twp. Rng.

836' FSL - 2599' FEL - (2496' FWL)

LOCATION SPOT

SCALE: **1" = 1000'**
 DATE STAKED: **July 8th, 2013**
 MEASURED BY: **Ben R.**
 DRAWN BY: **Drew H.**
 AUTHORIZED BY: **Nick H.**



GR. ELEVATION: **2596.6'**

Directions: From the center of Lenora Ks, at the intersection of Hwy 9 & main St. – Now go 7.3 Miles S-SW on Main St. – Now go 5 miles West on BB Rd – Now go 1 mile South on 120th Rd – Now go 1 mile West on AA Rd to the SE corner of section 19-6s-25w – Now go 0.5 mile West on AA Rd to ingress stake North into – Now go 836' North through corn stubble into staked location.

Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat.
This drawing is for construction purposes only.

