

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

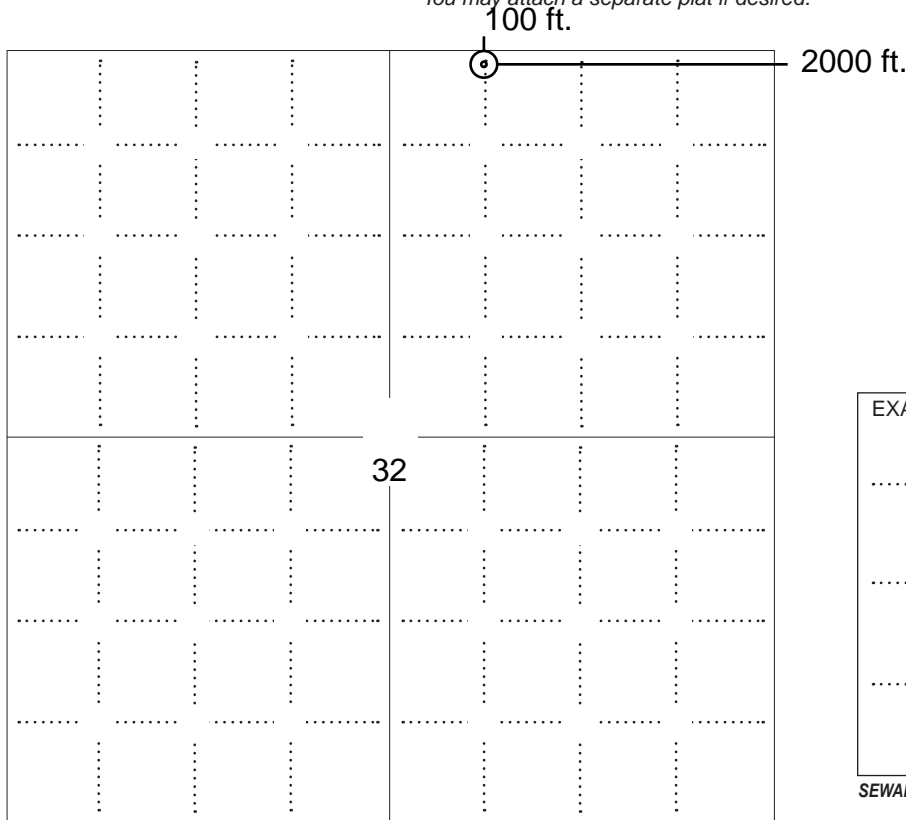
If Section is Irregular, locate well from nearest corner boundary.

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	
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

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.

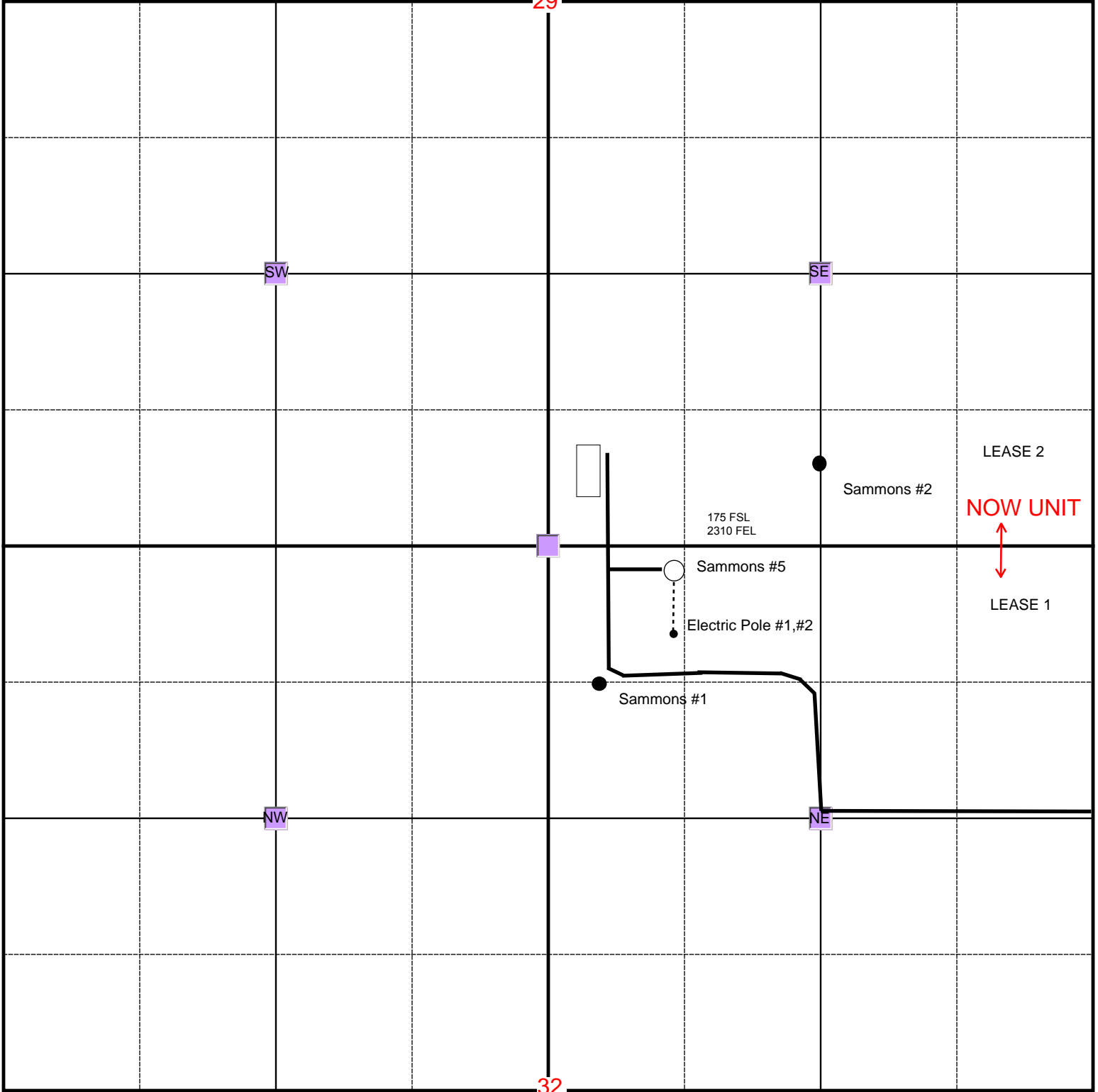
If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I Submitted Electronically



Township: _____ Range: _____ County: _____ State: _____

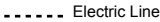
Sammons TB already set



 Tank Battery

 Road

 Pipeline

 Electric Line

BK0430PG539

**POOLING AND UNITIZATION AGREEMENT
(SAMMONS UNIT)**

THIS POOLING AND UNITIZATION AGREEMENT is made and entered into this 6th day of February, 2012, by Larry Sammons and Vernelle K. Sammons, his wife; Jolene K. Hill and Elmer D. Hill, her husband (hereinafter Royalty Owners) and Black Diamond Oil, Inc. (hereinafter Operator), WITNESSETH:

WHEREAS, it is in the public interest to promote conservation of natural resources; to increase the ultimate recovery of oil, gas and associated minerals from the Unitized Area covered by this agreement; and to protect the parties' respective rights, therefore the parties hereto deem it necessary and desirable to enter into this agreement.

AND WHEREAS, the parties hereto desire that the oil and gas leases shown on Exhibit A, attached hereto and incorporated herein by reference, be consolidated, pooled, and unitized into one operating unit according to, and in compliance with, the rules and regulations of the Kansas Corporation Commission.

NOW, THEREFORE, in consideration of these premises and of the mutual benefits hereinafter contained, the Royalty Owners and the Operator do hereby pool and unitize the oil and gas leases set forth in Exhibit A in accordance with the following terms and conditions:

ARTICLE I

(Creation and Effect of Unit)

Area. The Unitized Area shall consist of the following land which will be referred to as the Unitized Area, to-wit:

THE SOUTH HALF OF THE SOUTHEAST QUARTER (S½SE¼) OF SECTION 29, and THE NORTH HALF OF THE NORTHEAST QUARTER (N½NE¼) OF SECTION 32, ALL IN TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M., ROOKS COUNTY, KANSAS.

Oil and Gas Rights Pooled. Royalty Owners and Operator hereby declare that all the oil, gas and other minerals in, under or produced from the Unitized Area, as well as the oil and gas leases set forth in Exhibit A, are pooled and unitized for all purposes. The Unitized Area shall be developed and operated as one leased tract regardless of how the minerals thereunder may be divided in ownership, just as though such Unitized Area had originally been covered by a single oil and gas lease. The oil, gas and other minerals in, under or produced from said Unitized Area is pooled and unitized and shall be treated as an entirety and the royalties thereon shall be paid ratably to the owners of each particular tract in such Unitized Area as their interest in each such particular tract may appear and according to the applicable royalty provisions and other terms of the oil and gas lease(s) covering that particular tract.

Entered in Transfer Record
This 9th day of Mar. 2012
Loraine Smith
County Clerk

Page 1 of 6
Received for record at 9:15 o'clock A.M. on 8 day of March 2012, and recorded in Book 430 of State of Kansas (Rooks County) Records at Page 539
Register of Deeds
Loraine Smith
County Clerk

Tract Participation. The participation of the leases in and to the total production from the Unitized Area will be as set forth in Exhibit A attached. The crude oil purchaser shall calculate, divide and distribute the amount of oil runs attributable to each Royalty Owner based on their current ownership interest in the lease or leases as set forth in Exhibit A attached.

Allocation to Leases. All oil, gas and other minerals produced and saved shall be allocated to the Unitized Area in accordance with the respective Tract Participation set forth in Exhibit A effective during the period that the same was produced. The amount of oil and gas allocated to each

**ARTICLE II
(Tract Participation)**

Titles Unaffected by Pooling. Nothing herein shall be construed to result in the transfer of title to the oil, gas or mineral rights by any party hereto to any other party. The intention is to provide for the cooperative development and operation of the tracts.

Continuation of Leases and Term Royalties. Operations, including drilling operations, conducted with respect to the Unitized Area, or production from any part thereof, except for the purpose of determining payments to Royalty Owners, shall be considered as operations upon or production from each tract, and such operations or production shall continue in effect the term of each lease or term royalty interest as to all lands covered thereby just as if such operations had been conducted and a well had been drilled on and was producing from each tract.

Amendment and Ratification of Leases and Other Agreements. The provisions of the various leases, agreements, or other instruments covering the respective tracts are amended to the extent necessary to make them conform to the provisions of this agreement, but otherwise shall remain in effect. The parties also ratify, adopt and confirm the Oil and Gas Leases set forth on Exhibit A and fully recognize said oil and gas leases as being in full force and effect as though each party had personally signed, sealed and acknowledged the same.

Personal Property Excepted. All lease and well equipment, machinery, and materials placed by Operator on the lands covered hereby shall be deemed to be and shall remain personal property belonging to and may be removed by the Operator.

Production Attributed. Any oil or gas well producing under the terms of this agreement, or the oil and gas leases subject to this agreement, shall be deemed to be drilled under the terms of and located on the lands covered by each of said oil and gas leases. Any and all operations for the drilling, reworking of or production of all oil or gas from any such well or wells located anywhere on the Unitized Area shall operate to keep in force the entire oil and gas leasehold estate under each of said leases, just as though such well or wells were located on the particular land covered by each particular lease. The drilling of or the production from any well located upon the Unitized Area shall constitute full and complete development of each of the oil and gas leases hereby unitized.

BK0430P6540

No Partnership. The duties, obligations, and liabilities of the parties hereto are intended to be several and not joint or collective. This agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation, or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided.

**ARTICLE IV
(Relationship of Parties)**

Waiver of Rights to Partition. Each party hereto covenants that, during the existence of this agreement, it will not resort to any action to partition of any rights in or to the Unitized Area or any portion of it or the leases or mineral interests covered by this agreement and to that extent waives the benefits of all laws authorizing such partitions.

Notice of Transfer. Any conveyance of all or part of any interest owned by any party hereto with respect to any lease shall be made expressly subject to this agreement. No change of title shall be binding on the Operator, or upon any party hereto other than the party so transferring, until the first day of the calendar month next succeeding the date of receipt by Operator of a certified copy of the recorded instrument evidencing such change in ownership. No change of title shall increase the burden on the Operator under the terms of this agreement.

Covenant Running With the Land. This agreement shall extend to, be binding upon, and inure to the benefit of, the respective heirs, devisees, legal representatives, successors, and assigns of the parties hereto, and shall constitute a covenant running with the lands, leases, and interests covered hereby.

**ARTICLE III
(Change of Title)**

Distribution Within Leases. The oil and gas allocated to each lease shall be distributed among, or accounted for, to the parties entitled to share in the production from such lease in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such lease, or in the proceeds thereof, had this agreement not been entered into, and with the same legal effect. If any oil, gas or other mineral rights in a lease shall hereafter become divided and owned in severalty, the owners of the divisions shall share in the oil, gas and other mineral rights allocated to the lease, or in the proceeds thereof, in proportion to their respective ownership interest in and to that lease or leases.

lease, regardless of whether it is more or less than the actual production of oil and gas from the well or wells, if any, on such lease, shall be deemed for all purposes to have been produced from the Unitized Area.

Effect of Termination. Upon termination of this agreement, the further development and operation of the unit shall be abandoned, operations shall cease, and thereafter the parties shall be governed by the provisions of the leases and other instruments affecting the separate leases.

Termination by Operator. This agreement may be terminated by Operator whenever it determines that operations are no longer profitable or feasible.

Term. The term of this agreement shall extend for as long as oil, gas, or other minerals are being produced from the Unitized Area and as long thereafter as operations are being conducted without a cessation of more than ninety (90) consecutive days, unless sooner terminated by Operator in the manner herein provided.

Effective Date. The effective date of this agreement is February 1, 2012 at 7:00 A.M.

**ARTICLE VI
(Miscellaneous)**

Force Majeure. All obligations imposed by this agreement on each party, except for the payment of money, shall be suspended while compliance is prevented, in whole or in part, by a strike, fire, war, civil disturbance, act of God; by federal, state, or municipal laws; by a rule, regulation, or order of a governmental agency; by inability to secure materials; or by any other cause or causes beyond reasonable control of the party. No party shall be required against its will to adjust or settle any labor disputes. Neither this agreement nor any lease or other instrument subject hereto shall be terminated by reason of suspension of operations due to any one or more of the causes set forth in this Article.

Laws and Regulations. This agreement shall be subject to the conservation laws of the State of Kansas; to the valid rules, regulations, and orders of the Kansas Corporation Commission; and to all other applicable federal, state, and municipal laws, rules, regulations, and orders.

**ARTICLE V
(Laws and Regulations)**

Royalty Owners Free of Costs. This agreement is not intended to impose, and shall not be construed to impose, upon any Royalty Owner any obligation to pay for expenses unless such Royalty Owner is otherwise so obligated.

No Sharing of Market. This agreement is not intended to provide, and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale, or marketing of oil and gas.

Salvaging Equipment Upon Termination. If not otherwise granted by the leases or other instruments affecting each lease unitized under this agreement, Royalty Owners hereby grant Operator a period of six (6) months after the date of termination of this agreement within which to salvage and remove its equipment.

Use of Production. Operator may use as much of the oil, gas, other minerals, and salt water produced from the Unitized Area as it deems necessary for its operations, including but not limited to the injection thereof.

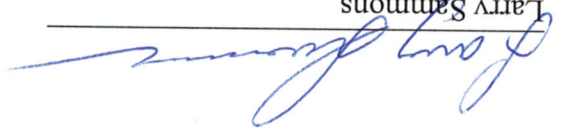
Royalty Payments. No royalty, overriding royalty, production, or other payments shall be payable upon, or with respect to, oil and gas used or consumed in its operations, or which otherwise may be lost or consumed in the production, handling, treating, transportation, or storing of oil and gas or in the disposing of salt water.

Grant of Easements. The Royalty Owners, to the extent of their rights and interests, hereby grant to Operator the right to use as much of the surface of the land within the Unit Area as may reasonably be necessary for its operations.

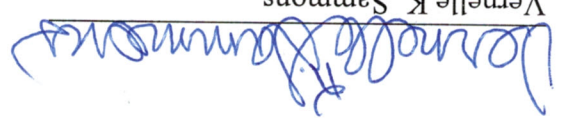
Original, Counterpart, or Other Instrument. A person may become a party to this agreement by signing the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof. The signing of any such instrument shall have the same effect as if all the parties had signed the same instrument.

IN WITNESS WHEREOF, the parties have executed this Pooling and Unitization Agreement as of the date first above written.

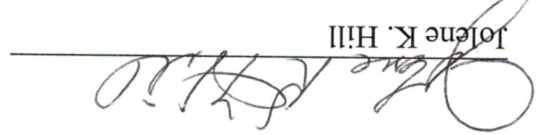
ROYALTY OWNERS



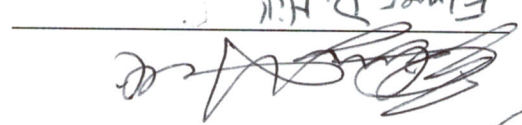
Larry Sammons



Vernelle K. Sammons

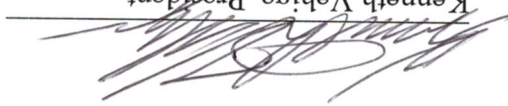


Jolene K. Hill

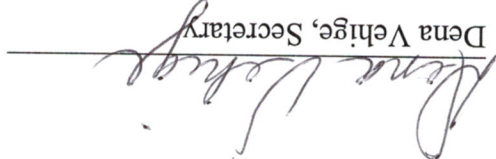


Elmer D. Hill

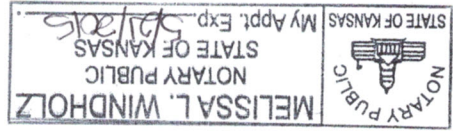
BLACK DIAMOND OIL, INC.



Kenneth Vehige, President



Dena Vehige, Secretary



My commission expires: 5/31/2015

Melissa L. Windholz
Notary Public

last above written.

IN TESTIMONY WHEREOF, I have herunto set my hand and affixed my seal the day and year

behalf of the corporation.

SUBSCRIBED AND SWORN to before me this 7th day of February, 2012, by Kenneth Vehige, President of Black Diamond Oil, Inc., who is personally known to me to be the same person and president of said corporation, who executed the above and foregoing instrument and who duly acknowledged the execution of the same as his free and voluntary act and deed for the uses and purposes therein set forth on

STATE OF KANSAS, COUNTY OF ELLIS, SS:



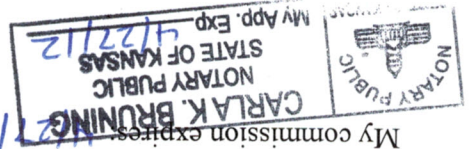
My commission expires: 10-10-2014

Marcia McCraw
Notary Public

NOW on this 2nd day of February, 2012, before me a Notary Public in and for said county and state, personally appeared Jolene K. Hill and Elmer D. Hill, her husband, known to me to be the same persons who executed the above and foregoing instrument of writing and acknowledged to me that they executed the same for the purposes therein stated.

STATE OF KANSAS, COUNTY OF BARTON, SS:

ACKNOWLEDGMENT



My commission expires: 4/22/12

Carla K. Bruning
Notary Public

NOW on this 30th day of February, 2012, before me a Notary Public in and for said county and state, personally appeared Larry Sammons and Vernelle K. Sammons, his wife, known to me to be the same persons who executed the above and foregoing instrument of writing and acknowledged to me that they executed the same for the purposes therein stated.

STATE OF KANSAS, COUNTY OF PHILLIPS, SS:

ACKNOWLEDGMENT

04306544

BK0430P6545

EXHIBIT A

UNIT AREA

THE SOUTH HALF OF THE SOUTHEAST QUARTER (S $\frac{1}{2}$ SE $\frac{1}{4}$) OF SECTION 29, and THE NORTH HALF OF THE NORTHEAST QUARTER (N $\frac{1}{2}$ NE $\frac{1}{4}$) OF SECTION 32, ALL IN TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M.

OIL AND GAS LEASES POOLED AND UNITIZED

1. Oil and gas lease dated June 2, 1982, recorded in Book 172, pages 283-4, from Harley Sammons and Helen Sammons, his wife as Lessors, to and in favor of Kenneth Vehige, Lessee, and covering:

THE SOUTH HALF OF THE SOUTHEAST QUARTER (S $\frac{1}{2}$ SE $\frac{1}{4}$) OF SECTION 29, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M.

2. Oil and gas lease dated June 2, 1982, recorded in Book 172, pages 291-2, from Harley Sammons and Helen Sammons, his wife as Lessors, to and in favor of Kenneth Vehige, Lessee, and covering:
THE NORTH HALF OF THE NORTHEAST QUARTER (N $\frac{1}{2}$ NE $\frac{1}{4}$) OF SECTION 32, TOWNSHIP 6 SOUTH, RANGE 20 WEST OF THE SIXTH P.M.

TRACT PARTICIPATION

Each of the above tracts will participate equally (50/50) in the production of oil, gas and other minerals from the Unit Area.

ROYALTY PARTICIPATION

Larry Sammons

.06250 Royalty

Jolene K. Hill

.06250 Royalty