

- 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:	
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:			
monur day year	Sec Twp S. R E V			
OPERATOR: License#	feet from N / S Line of Section			
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):			
Wall Drillad Fare Mall Class. Two Free in marks	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 III			
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 Pooths	Formation at Total Depth:			
Original Completion Date: Original Total Depth:	•			
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:			
f Yes, true vertical depth:	Well Farm Pond Other:			
Bottom Hole Location:	DWR Permit #:(Note: Apply for Permit with DWR)			
CCC DKT #:				
	Will Cores be taken? Yes N			
	If Yes, proposed zone:			
AFF	IDAVIT			
The undersigned hereby affirms that the drilling, completion and eventual plu	gging of this well will comply with K.S.A. 55 et. seq.			
t is agreed that the following minimum requirements will be met:				
Notify the appropriate district office <i>prior</i> to spudding of well;				
 Notify the appropriate district office <i>prior</i> to spudding of well, A copy of the approved notice of intent to drill <i>shall be</i> posted on each 	drilling rig:			
3. The minimum amount of surface pipe as specified below <i>shall be set</i>	3 3·			
through all unconsolidated materials plus a minimum of 20 feet into the				
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	, , , , , , , , , , , , , , , , , , , ,			
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 #1	33,891-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. <i>In all cases, NOTIFY district office</i> prior to any cementing.			
ubmitted 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);			
	- Obtain written approval before disposing or injecting salt water.			

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

Agent:

Spud date: .



For KCC Use ONLY	
API # 15	

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

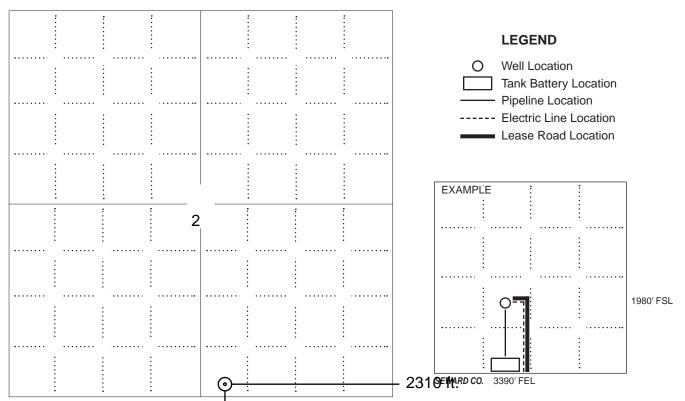
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:			
Lease:	feet from N / S Line of Section			
Well Number:	feet from E / W Line of Section			
Field:	SecTwpS. R 🗌 E 🔲 W			
Number of Acres attributable to well:	Is Section: Regular or Irregular			
If Section is Irregular, locate well from nearest corner 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.

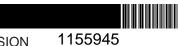


NOTE: In all cases locate the spot of the proposed drilling locaton.

175 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

945 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)	Pit is: Proposed Existing If Existing, date constructed: Pit capacity:		SecTwp R East WestFeet from North / South Line of SectionFeet from East / West Line of Section			
		(bbls)	County			
Is the pit located in a Sensitive Ground Water A	Area? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)			
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner 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			
If the pit is lined give a brief description of the li material, thickness and installation procedure.			dures for periodic maintenance and determining ncluding any special monitoring.			
Distance to nearest water well within one-mile	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 s flow into the pit? Yes No	spilled fluids to	Drill pits must be closed within 365 days of spud date.				
Submitted Electronically						
KCC OFFICE USE ONLY						
Date Received: Permit Num	ber:	Permi	Liner Steel Pit RFAC RFAS it Date: Lease Inspection: Yes No			



1155945

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 (CB-1)	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	SecTwpS. R East
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	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 k batteries, pipelines, and electrical lines. The locations shown on the plat n the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.
☐ 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 to CP-1 that I am filing in connection with this form; 2) if the form to form; and 3) my operator name, address, phone number, fax, at ☐ I have not provided this information to the surface owner(s). I at KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the vner(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	

DECLARATION OF UNITIZATION

AND RECORDED IN BOOK PAGE 11

AND RECORDED IN BOOK PAGE 11

Wanda M. Vinical

REG. OF DEEDS - NORTON COUNTY, K

THIS DECLARATION OF UNITIZATION is made this 7th day of September, 2012, by Black Diamond Oil, Inc., hereinafter called Lessee, WITNESSETH:

20.

WHEREAS, the parties hereto desire the Oil and Gas Leases shown on Exhibit A, attached hereto and incorporated herein by reference, be consolidated and unitized into one operating unit according to, and in compliance with, the Rules and Regulations of the Kansas Corporation Commission.

AND WHEREAS, the Lessors of the Morris Lease covering SW¼SE½ Sec. 2-5-21 and the Lessor of the Koester Leases covering a Tract in NW½NE½ Sec. 11-5-21 have previously authorized Lessee to pool and unitize said lease so that each Lessor would receive pro rata division of all royalties from the sale of oil or gas or either of them produced from the Unitized Area in the proportion that each Lessor's mineral interest bears to the total minerals within the Unitized Area as set forth in Exhibit A.

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

- 1. By virtue of the power and authority granted by each landowner/lessor to the Lessee, Lessee declares for all purposes that the oil and gas leases set forth in Exhibit A are pooled and unitized forming the Unitized Area described therein. The Unitized Area shall be developed and operated as one leased tract regardless of how the same or 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 or either of them 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 in accordance with Exhibit A and 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 covering that particular tract.
- 2. Exhibit A sets forth and establishes the total acreage owned by each Lessor. Royalty, overriding royalty, and working interest payments will be based upon the decimal interest in production from said Unitized Area as is also shown thereon and on the Division Order when issued.
- 3. Any oil or gas well producing in commercial quantities 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 lease and operations for the drilling, reworking of or production of all oil or gas from any such well or wells 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 particular land covered by each particular lease. The drilling of or production from any well capable of producing oil or gas in commercial quantities upon the Unitized Area shall constitute full and complete development of each of the oil and gas leases hereby unitized.

- 4. This declaration and the oil and gas leasehold rights of Lessee under all leases covering the tracts of land within the Unitized Area shall be and remain in full force and effect so long as oil or gas or either of them can be produced in commercial quantities from any well in said Unitized Area and shall not be effected by the expiration of the primary term of any of said leases.
- 5. This declaration and all of the terms and conditions hereof shall be considered as covenants running with the land and shall likewise extend to and be binding upon the heirs, successors, and assigns of all parties hereto.

IN WITNESS WHEREOF, the Lessee has executed this Declaration of Unitization as of the date first above written.

BLACK DIAMOND OIL, INC.

Kenneth Vehige, President

Attest:

Dena Vehige, Secretary

ACKNOWLEDGMENT FOR CORPORATION

STATE OF KANSAS)

) ss:

COUNTY OF ELLIS)

The foregoing instrument was acknowledged before me this \\\\) \(\frac{310}{2}\) day of September, 2012, by Kenneth Vehige, President of Black Diamond Oil, Inc., a Kansas corporation, on behalf of the corporation.

My commission expires: 5/21/2015

MELISSA L. WINDHOLZ
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 53005.

Notary Public

EXHIBIT A

UNIT AREA (MO-KO UNIT)

A TRACT IN THE SOUTHEAST QUARTER (SE½) OF SECTION 2, and THE NORTHEAST QUARTER (NE½) OF SECTION 11, ALL IN TOWNSHIP 5 SOUTH, RANGE 21 WEST OF THE SIXTH P.M., Beginning 1,980 feet West of the Southeast Corner of the SE½ Sec. 2-5-21; thence North 500 feet; thence West 660 feet to the West Line of said SE½; thence South 750 feet; thence East 660 feet; thence North 250 feet to the place of beginning, Norton County, Kansas, and containing approximately 11.36 acres.

OIL AND GAS LEASES POOLED AND UNITIZED

1. Oil and gas lease dated May 9, 2011, recorded in Book 171A, pages 606-7, from James L. Morris and Margaret L. Morris, his wife, Lessors, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

A TRACT IN THE SOUTHEAST QUARTER (SE½) OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 21 WEST OF THE SIXTH P.M., Beginning 1,980 feet West of the Southeast Corner of the SE½; thence North 500 feet; thence West 660 to the West line of said SE½; thence South 500 feet; thence East 660 feet to the place of beginning.

2. Oil and gas lease dated March 1, 2012, recorded in Book 177A, pages 617-8, from Kathi S. Koester, single, Lessor, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

A TRACT IN THE NORTHEAST QUARTER (NE½) OF SECTION 11, TOWNSHIP 5 SOUTH, RANGE 21 WEST OF THE SIXTH P.M., Beginning 1,980 feet West of the Northeast Corner of the NE½; thence South 250 feet; thence West 660 feet, thence North 250 feet; thence East 660 feet to the place of beginning.

3. Oil and gas lease dated March 1, 2012, recorded in Book 177A, pages 394-5, from Kent Koester, single, Lessor, to and in favor of Black Diamond Oil, Inc., Lessee, **ONLY IN SO FAR AS** said lease covers:

A TRACT IN THE NORTHEAST QUARTER (NE½) OF SECTION 11, TOWNSHIP 5 SOUTH, RANGE 21 WEST OF THE SIXTH P.M., Beginning 1,980 feet West of the Northeast Corner of the NE½; thence South 250 feet; thence West 660 feet, thence North 250 feet; thence East 660 feet to the place of beginning.

TRACT PARTICIPATION

Each of the above tracts will participate in the production of oil, gas and other minerals from the Unit Area as follows: Two-thirds (2/3) to the Morris tract and one-third (1/3) to the Koester tract.

ROYALTY PARTICIPATION

James L. Morris and Margaret L. Morris

.083333 Royalty

Kent Koester

.0208335 Royalty

Kathi S. Koester

.0208335 Royalty

Township:		Range:			County:		State:	
				<i>.</i> ;	175 FSL 2310 FEL			

Tank Battery Road

Pipeline Electric Line

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

August 26, 2013

KENNETH VEHIGE Black Diamond Oil, Inc. PO BOX 641 HAYS, KS 67601-0641

Re: Drilling Pit Application MORRIS UNIT 1 SE/4 Sec.02-05S-21W Norton County, Kansas

Dear KENNETH VEHIGE:

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 as soon as practical 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 (785) 625-0550 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 (785) 625-0550.