For KCC Use:

| Eff | e | ct | iv | е | Date: |
|-----|---|----|----|---|-------|
|     |   |    |    |   |       |

| District | # |  |
|----------|---|--|

| SGA? | Yes | No |
|------|-----|----|
|      |     |    |

Forn

## 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

1166908

# NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

| Expected Spud Date:  | Spot Description:   |
|--|---|
| month day year   |   |
| OPERATOR: License#   | feet from N / S Line of Section   |
| 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#   | Is this a Prorated / Spaced Field?  |
| Name:  | Target Formation(s):  |
| 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: |
| Directional. Deviated or Horizontal wellbore?  | Water Source for Drilling Operations:   |
| If Yes, true vertical depth:   | Well Farm Pond Other:   |
| Bottom Hole Location:  | DWR Permit #:   |
| KCC DKT #:   | Will Cores be taken?  |
|  | 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.

| Submitted E | Electronically |
|-------------|----------------|
|-------------|----------------|

| For KCC Use ONLY              |               |
|-------------------------------|---------------|
| API # 15                      |               |
| Conductor pipe required       | feet          |
| Minimum surface pipe required | feet per ALT. |
| Approved by:                  |               |
| This authorization expires:   |               |
| Spud date: Agent:             |               |

#### 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:

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



For KCC Use ONLY

API # 15 -\_\_\_\_

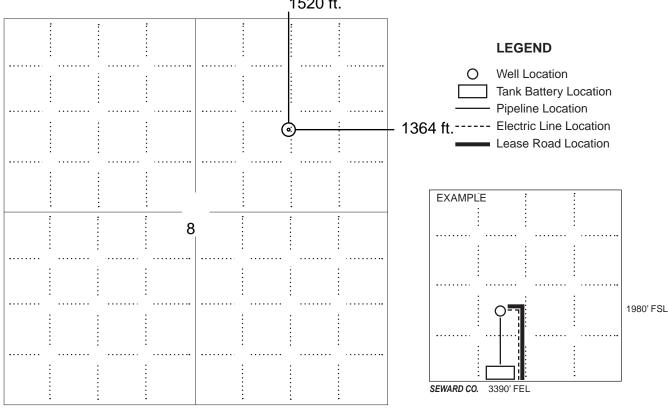
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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:<br>QTR/QTR/QTR/QTR of acreage: | 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. 1520 ft.



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.

Side Two

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1166908

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 Vorkover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water A  | Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls) Area? Yes No |   | Feet from East /<br>Chloride concentration:<br><i>(For Emergency Pits and Set</i>  |       |
| Is the bottom below ground level?  | Artificial Liner?  | lo  | How is the pit lined if a plastic liner is not   | used? |
| Pit dimensions (all but working pits):       Length (feet)       Width (feet)       N/A: Steel Pits         Depth from ground level to deepest point:       (feet)       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:       Depth to shallowest fresh water feet. |  |   |  |       |
| feet Depth of water wellfeet   |  | Source of inforr  | well owner electric log  | 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?         Yes  |  | Type of materia<br>Number of worl<br>Abandonment p<br>Drill pits must b | over and Haul-Off Pits ONLY:         Il utilized in drilling/workover:         king pits to be utilized:         procedure:         procedure:         pe closed within 365 days of spud date. |       |
| Submitted Electronically   |  |   |  |       |
| KCC OFFICE USE ONLY  |  |   |  |       |
| Date Received: Permit Num  | per:   | Permi   | t Date: Lease Inspectio  |       |

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

| OIL & GAS CONS<br>CERTIFICATION OF C   | ATION COMMISSION 1166908<br>ERVATION DIVISION Torm Must Be Typed<br>OMPLIANCE WITH THE<br>NER NOTIFICATION ACT   |
|--|--|
| T-1 (Request for Change of Operator Transfer of Injection                                    | f Intent to Drill); CB-1 (Cathodic Protection Borehole Intent);<br>or Surface Pit Permit); and CP-1 (Well Plugging Application).<br>ompanying Form KSONA-1 will be returned.<br>Cathodic Protection Borehole Intent) <b>T-1</b> (Transfer) <b>CP-1</b> (Plugging Application)  |
| OPERATOR:       License #  | Well Location:   |
| Surface Owner Information:         Name:         Address 1:         Address 2:         City: | When filing a Form T-1 involving multiple surface owners, attach an additional<br>sheet listing all of the information to the left for each surface owner. Surface<br>owner information can be found in the records of the register of deeds for the<br>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.

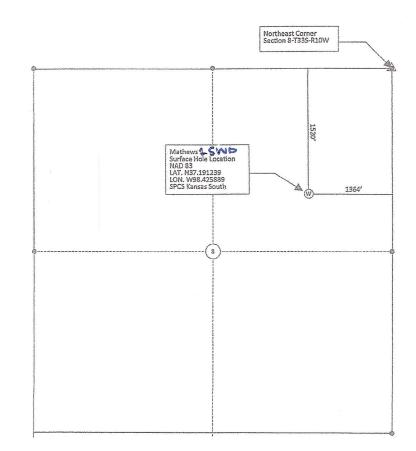
If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

## Submitted Electronically

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Lease Name: Mathews Well No. **1** SWD Well Ioc. Co./St.: Barber County, KS Well Ioc. Section: 8-T33S-R10W

Survey Datums (shown on drawing) Horz. Datum NAD83 Kansas SPCS South Zone (US Feet)

This is to certify that this map was made by me and that, to the best of my knowledge, is-true and correct.

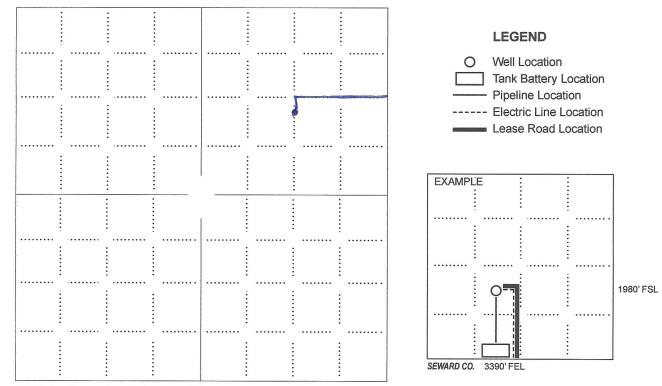
API # 15 -\_\_

#### 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: Tug Hill Operating, LLC  | Location of Well: County: Barber   |
|--|--|
| Lease: Mathews   | 1,520 feet from X N / S Line of Section  |
| Well Number: 1SWD  | 1,364 feet from 🔀 E /  |
| Field: Traffas   | Sec. 8 Twp. 33 S. R. 10 E 🔀 W  |
| Number of Acres attributable to well:<br>QTR/QTR/QTR/QTR of acreage:NENESWNE | Is Section: 🔀 Regular or 🔲 Irregular   |
|  | If Section is Irregular, locate well from nearest corner boundary.<br>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.

#### 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

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802 Kansas Corporation Commission

Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner Sam Brownback, Governor

## NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling,completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION** 

1145527

Form CP-4 March 2009 Type or Print on this Form Form must be Signed All blanks must be Filled

WELL PLUGGING RECORD K.A.R. 82-3-117

| OPERATOR: License #: 34662   | API No. 15 - 15-007-23996-00-00  |
|--|--|
| Name:Tug Hill Operating, LLC   | Spot Description:  |
| Address 1:       550 BAILEY AVE, STE 510         Address 2:  | NE_NE_SW_NE_Sec.8       Twp. 33       S.       R.       10       East ✔       West         1520       Feet from       ✔       North /       South Line of Section         1364       Feet from       ✔       East /       West Line of Section         Footages Calculated from Nearest Outside Section Corner:       ✓       NK       SE       SW |
| Type of Well: (Check one)       Oil Well       Gas Well       OG       D&A       Cathodic         Water Supply Well       Other:       SWD Permit #:       SWD Permit #:       SWD Permit #:         ENHR Permit #:       Gas Storage Permit #:       Is ACO-1 filed?       Yes       No         If not, is well log attached?       Yes       No         Producing Formation(s): List All (If needed attach another sheet)       T.D.          Depth to Top:       Bottom:       T.D.          Depth to Top:       Bottom:       T.D. | County: <u>Barber</u><br>Lease Name: <u>Mathews</u> Well #: <u>2-8H</u><br>Date Well Completed: <u>04/12/2013</u><br>The plugging proposal was approved on: <u>04/11/2013</u> (Date)<br>by: <u>Richard Lacy</u> (KCC District Agent's Name)<br>Plugging Commenced: <u>04/10/2013</u><br>Plugging Completed: <u>04/11/2013</u>                      |
| · · ·  |  |

Show depth and thickness of all water, oil and gas formations.

| Oil, Gas or Water Records |         | Casing Record (Surface, Conductor & Production) |       |               |            |
|---------------------------|---------|---|-------|---------------|------------|
| Formation                 | Content | Casing  | Size  | Setting Depth | Pulled Out |
|                           |         | Conductor                                       | 20    | 100           | 0          |
|                           |         | Surface   | 9.625 | 935           | 0          |
|                           |         |   |       |               |            |
|                           |         |   |       |               |            |

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Set plug @ 4886' with 85 sacks, set plug @ 4164 with 165 sacks, set plug @ 960' with 75 sacks, set plug @ 300' with 50 sacks, and set plug @ 60 with 30 sacks. There was no rat hole or mouse hole.

| Plugging Contractor License #:99996  | _ Name:/      | ALLIED CEMENT COMPANY                 |                                       |  |
|--|---------------|---------------------------------------|---------------------------------------|--|
| Address 1: 612 N CLAY AVE  | Address 2:    |                                       |                                       |  |
| City: _MEDICINE LODGE  | S             | tate: <u>KS</u>                       | zip: <u>67104</u> +                   |  |
| Phone: (620) 793-5861  |               |                                       |                                       |  |
| Name of Party Responsible for Plugging Fees: <u>Tug Hill Operating, LLC</u>            |               |                                       |                                       |  |
| State of Tarrant County, Texas   | <b>,</b>      | SS.                                   |                                       |  |
| Winnie Scott (Print Name)  |               | Employee of Operator or               | Operator on above-described well,     |  |
| being first duly sworn on oath, says: That I have knowledge of the facts statements, a | and matters h | erein contained, and the log of the a | above-described well is as filed, and |  |

the same are true and correct, so help me God.

Submitted Electronically

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/

Mark Sievers, Chairman Thomas E. Wright, Commissioner Shari Feist Albrecht, Commissioner Sam Brownback, Governor

November 05, 2013

Winnie Scott Tug Hill Operating, LLC 550 BAILEY AVE, STE 510 FT. WORTH, TX 76107

Re: Drilling Pit Application Mathews 1SWD NE/4 Sec.08-33S-10W Barber County, Kansas

Dear Winnie Scott:

District staff has inspected the 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. If a plastic liner is to be used it must have a minimum thickness of 20 mil. Integrity of the liner must be maintained at all times.

# If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> completion fluids or non-exempt wastes shall be placed in the reserve pit.

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 96 hours after drilling operations have ceased. The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 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 (620) 225-8888.