1174589

For KCC Use:
Effective Date: 01/28/2014
District # 2
SGA? [X] Yes [ ] No

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

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: 3/3/2014 (month day year)

OPERATOR: License# 30886
Name: Thomas, John R. dba Vamco Operations
Address 1: 265 AVENUE K
Address 2:
City: CHASE State: KS Zip: 67524 + 9440
Contact Person: John Thomas
Phone: 620-938-2411

CONTRACTOR: License#
Name: Advise on ACO-1 -- Must be licensed by KCC

Well Drilled For:		*Well Class:*	*Type Equipment:*
[X] Oil	[ ] Enh Rec	[X] Infield	[X] Mud Rotary
[ ] Gas	[ ] Storage	[ ] Pool Ext.	[ ] Air Rotary
	[ ] Disposal	[ ] Wildcat	[ ] Cable
[ ] Seismic ; ____ # of Holes		[ ] Other	

[ ] Other:

[ ] If OWWO: old well information as follows:

Operator:
Well Name:
Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore? [ ] Yes [X] No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Spot Description:
SE - SW - NE - SE (Q/Q/Q/Q) Sec. 19 Twp. 20 S. R. 10 [ ] E [X] W
1645 feet from [ ] N / [X] S Line of Section
845 feet from [X] E / [ ] W Line of Section
Is SECTION: [X] Regular [ ] Irregular?

(***Note:*** *Locate well on the Section Plat on reverse side*)

County: Rice
Lease Name: Mike Smith Well #: 1
Field Name: Chase - Silica
Is this a Prorated / Spaced Field? [ ] Yes [X] No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary line (in footage): 990
Ground Surface Elevation: 1740 Estimated feet MSL
Water well within one-quarter mile: [X] Yes [ ] No
Public water supply well within one mile: [ ] Yes [X] No
Depth to bottom of fresh water: 130
Depth to bottom of usable water: 200
Surface Pipe by Alternate: [X] I [ ] II
Length of Surface Pipe Planned to be set: 240
Length of Conductor Pipe (if any):
Projected Total Depth: 3400
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
[X] Well [ ] Farm Pond [ ] Other:
DWR Permit #:
(***Note:*** *Apply for Permit with DWR* [ ])
Will Cores be taken? [ ] Yes [X] No
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 Electronically

For KCC Use ONLY
API # 15 - 15-159-22764-00-00
Conductor pipe required 0 feet
Minimum surface pipe required 220 feet per ALT. [X] I [ ] II
Approved by: Rick Hestermann 01/23/2014
This authorization expires: 01/23/2015
(This authorization void if drilling not started within 12 months of approval date.)

Spud date: Agent:

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

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.

[ ] **Well will not be drilled or Permit Expired** Date:
Signature of Operator or Agent:

19 20 10 [ ] E [X] W

Side Two

1174589

For KCC Use ONLY
API # 15 - 15-159-22764-00-00

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: Thomas, John R. dba Vamco Operations
Lease: Mike Smith
Well Number: 1
Field: Chase - Silica

Number of Acres attributable to well: 40
QTR/QTR/QTR/QTR of acreage: SE - SW - NE - SE

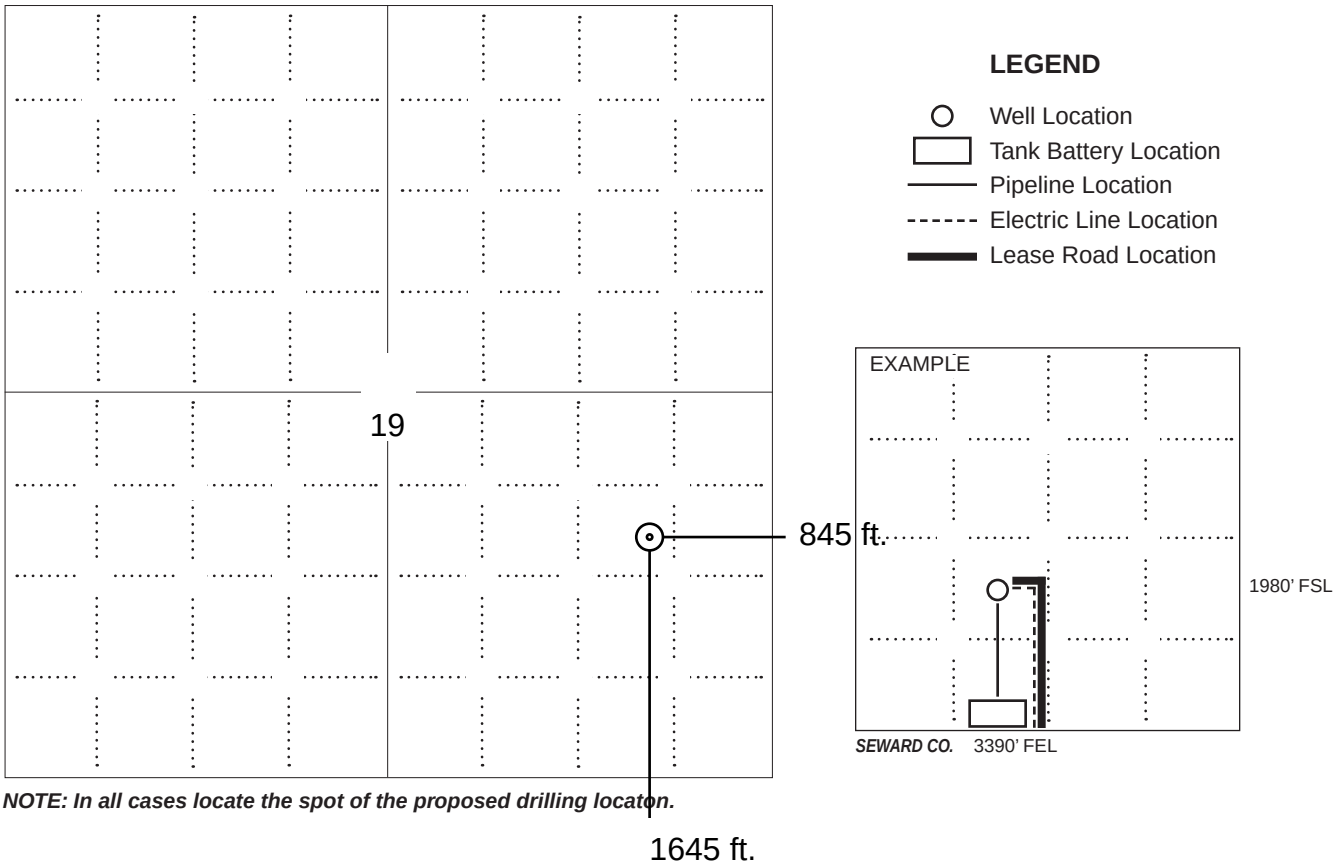
Location of Well: County: Rice
1645 feet from ☐ N / ☒ S Line of Section
845 feet from ☒ E / ☐ W Line of Section
Sec. 19 Twp. 20 S. R. 10 ☐ E ☒ W

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.



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.

1174589

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Thomas, John R. dba Vamco Operations
License Number: 30886

Operator Address: 265 AVENUE K CHASE KS 67524

Contact Person: John Thomas
Phone Number: 620-938-2411

Lease Name & Well No.: Mike Smith 1

Pit Location (QQQQ): SE - SW - NE - SE

Sec. 19 Twp. 20 R. 10 ☐ East ☒ West

1645 Feet from ☐ North / ☒ South Line of Section

845 Feet from ☒ East / ☐ West Line of Section

Rice County

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: 4500 (bbls)

Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☐ No

Chloride concentration: _____ mg/l
(For Emergency Pits and Settling Pits only)

Is the bottom below ground level? ☒ Yes ☐ No

Artificial Liner? ☐ Yes ☒ No

How is the pit lined if a plastic liner is not used?
Clay

Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) ☐ N/A: Steel Pits

Depth from ground level to deepest point: 4 (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:
781 feet Depth of water well 40 feet

Depth to shallowest fresh water 8 feet.
Source of information:
☐ measured ☐ 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 ☐ No

Drilling, Workover and Haul-Off Pits ONLY:

Type of material utilized in drilling/workover: Fresh water/bentonite

Number of working pits to be utilized: 3

Abandonment procedure: Haul fluids. Allow to dry naturally. Fill will native soil.

Drill pits must be closed within 365 days of spud date.

Submitted Electronically

KCC OFFICE USE ONLY

☐ Liner ☒ Steel Pit ☒ RFAC ☐ RFAS

Date Received: 01/10/2014 Permit Number: 15-159-22764-00-00 Permit Date: 01/23/2014 Lease Inspection: ☒ Yes ☐ No

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

[redacted]

KANSAS CORPORATION COMMISSION 1174589
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
January 2014
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 # 30886
Name: Thomas, John R. dba Vamco Operations
Address 1: 265 AVENUE K
Address 2:
City: CHASE State: KS Zip: 67524 + 9440
Contact Person: Vamco Operations
Phone: (620) 793-2604 Fax: ( )
Email Address:

Well Location:
SE - SW - NE - SE Sec. 19 Twp. 20 S. R. 10 ☐ East ☒ West
County: Rice
Lease Name: Mike Smith Well #: 1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:
Name: Lowell Smith
Address 1: 1635 2nd Rd
Address 2:
City: Raymond State: KS Zip: 67573 +

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 must provide the name and address of the surface owner by filling out the top section of this form and 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

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: VAMCO
Lease: MIKE SMITH
Well Number: # 1
Field: CHASE - SILICA

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

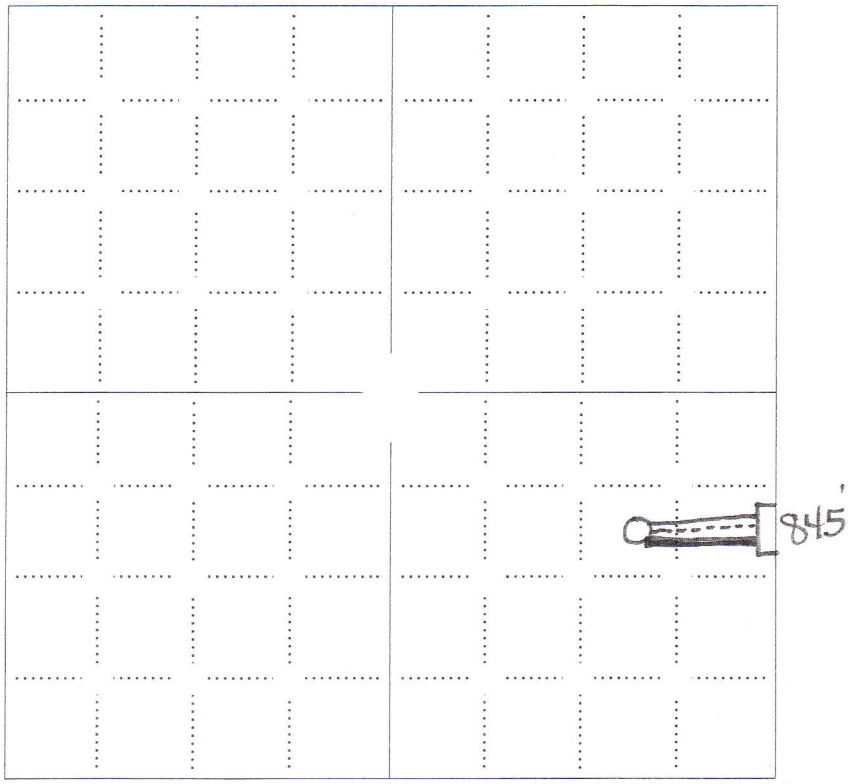
Location of Well: County: RICE
1645 feet from [ ] N / [X] S Line of Section
845 feet from [X] E / [ ] W Line of Section
Sec. 19 Twp. 20 S. R. 10 [X] E [ ] W

Is Section: [X] Regular or [ ] Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: [ ] NE [ ] NW [ ] SE [ ] SW

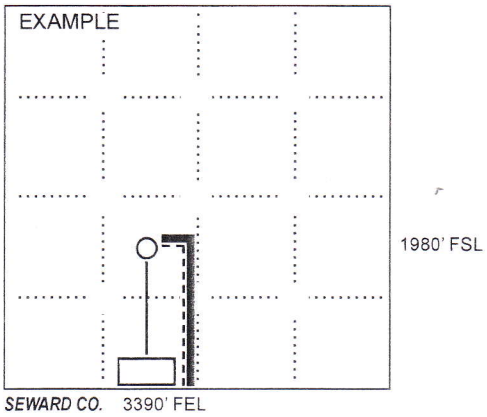
PLAT

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



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5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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/

Shari Feist Albrecht, Chair
Thomas E. Wright, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

January 23, 2014

John Thomas
Thomas, John R. dba Vamco Operations
265 AVENUE K
CHASE, KS 67524-9440

Re: Drilling Pit Application
Mike Smith 1
SE/4 Sec.19-20S-10W
Rice County, Kansas

Dear John Thomas :

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through KOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

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/

Shari Feist Albrecht, Chair
Thomas E. Wright, Commissioner
Jay Scott Emler, Commissioner

Sam Brownback, Governor

HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

(a) Each operator shall perform one of the following when disposing of dike or pit contents:

(1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;

(2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or

(3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:

(A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);

(B) removal and placement of the contents in an on-site disposal area approved by the commission;

(C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or

(D) removal of the contents to a permitted off-site disposal area approved by the department.

(b) Each violation of this regulation shall be punishable by the following:

(1) A $1,000 penalty for the first violation;

(2) a $2,500 penalty for the second violation; and

(3) a $5,000 penalty and an operator license review for the third violation.

<u>File Haul-Off Pit Application in KOLAR. Review the information below and attach all required documents to the pit application when submitting through KOLAR. This form will automatically generate and fill in from questions asked in KOLAR.</u>

Haul-off pit will be located in an on-site disposal area: ___Yes ___No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **<u>producing</u>** lease or unit operated by the same operator: ___Yes ___No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.