



For KCC Use:  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1221049  
 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: \_\_\_\_\_  
 month day year

Spot Description: \_\_\_\_\_

OPERATOR: License# \_\_\_\_\_

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  E  W  
 (Q/Q/Q/Q) \_\_\_\_\_ feet from  N /  S Line of Section

Name: \_\_\_\_\_

\_\_\_\_\_ feet from  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?  Yes  No

Name: \_\_\_\_\_

Target Formation(s): \_\_\_\_\_

Well Drilled For: Well Class: Type Equipment:

- |                              |                                   |                                    |                                     |
|------------------------------|-----------------------------------|------------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec  | <input type="checkbox"/> Infield   | <input type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage  | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
|                              | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat   | <input type="checkbox"/> Cable      |

Seismic ; \_\_\_\_\_ # of Holes  Other  
 Other: \_\_\_\_\_

If OWWO: old well information as follows:

Operator: \_\_\_\_\_

Well Name: \_\_\_\_\_

Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Nearest Lease or unit boundary line (in footage): \_\_\_\_\_

Ground Surface Elevation: \_\_\_\_\_ feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: \_\_\_\_\_

Depth to bottom of usable water: \_\_\_\_\_

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: \_\_\_\_\_

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: \_\_\_\_\_

Formation at Total Depth: \_\_\_\_\_

Water Source for Drilling Operations:

Well  Farm Pond  Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  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 - \_\_\_\_\_

Conductor pipe required \_\_\_\_\_ feet

Minimum surface pipe required \_\_\_\_\_ feet per ALT.  I  II

Approved by: \_\_\_\_\_

**This authorization expires:** \_\_\_\_\_  
 (This authorization void if drilling not started within 12 months of approval date.)

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.

Well will not be drilled or Permit Expired Date: \_\_\_\_\_

Signature of Operator or Agent: \_\_\_\_\_

E  
W

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

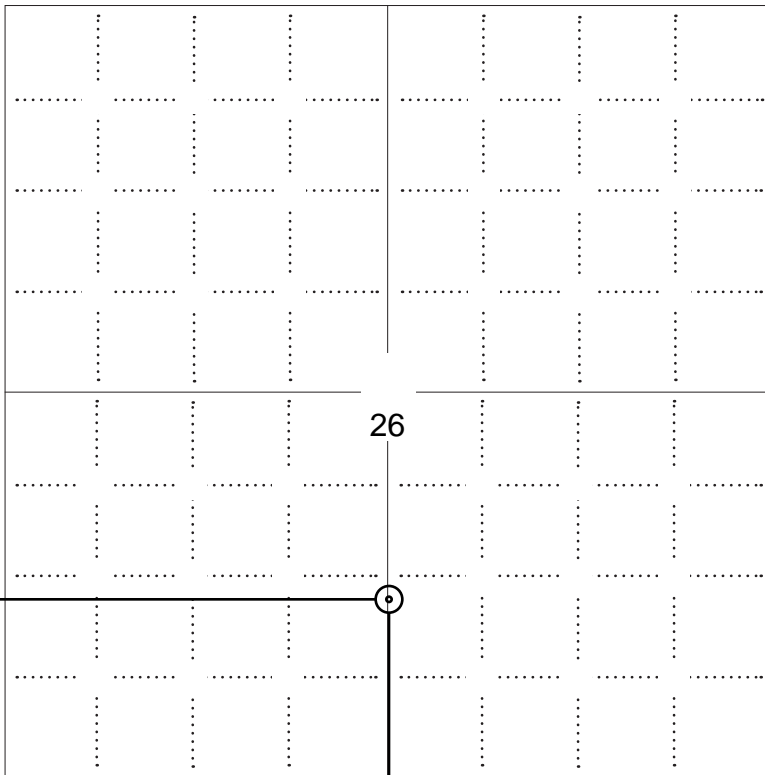
Is Section:  Regular or  Irregular

**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.



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

**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



1980' FSL

1220 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	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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			

<b>KCC OFFICE USE ONLY</b>			
<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			



### 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 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.*

I Submitted Electronically

For KCC Use ONLY

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

Side Two

### 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: H & C Oil Operating Inc. Location of Well: County: Graham N /  S Line of Section  
 Lease: Paxson-Rice Unit 1220 feet from  N /  W Line of Section  
 Well Number: 26-1 2640 feet from  E /  E  
 Field: Wildcat Sec. 26 Twp. 7 S. R. 24  E  W

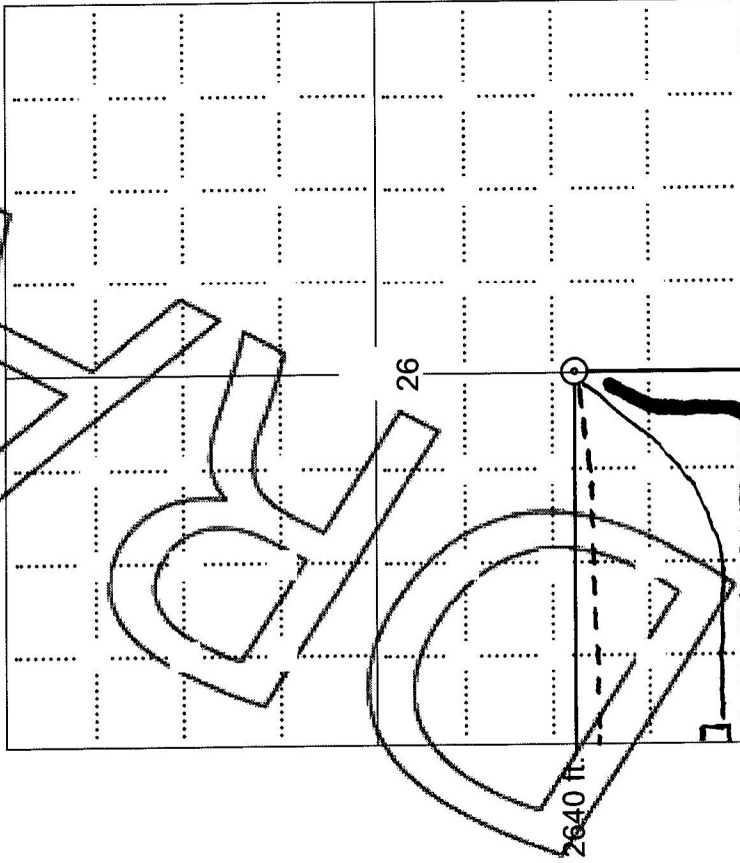
Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: N2 - N2 - S2 - S2

Is Section:  Regular or  Irregular

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

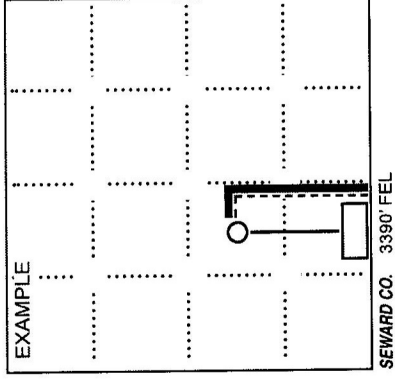
#### PLAT

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.

**In plotting the proposed location of the well, you must show:**  
 1220 ft.

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. (CO-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



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

Book: 268 Page: 931 - 934

Receipt #: 38916  
Pages Recorded: 4

Recording Fee: \$20.00

*Acquired 7/20*

Date Recorded: 8/28/2014 12:30:50 PM

*1/8*

## DECLARATION OF UNITIZATION

THIS DECLARATION OF UNITIZATION is made this 30<sup>th</sup> day of July, 2014, by HOP Energies, LLC, hereinafter called Lessee, WITNESSETH:

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 Lessor of the Paxson Leases covering SW<sup>1</sup>/<sub>4</sub> and N<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub> Sec. 26-7-24 and the Lessor of the Rice Trust Lease covering S<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub> Sec. 26-7-24 have previously authorized Lessee to pool and unitize said leases 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 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.

HOP Energies, LLC

  
Daniel F. Brooks, Manager

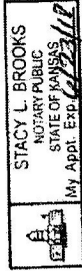
**ACKNOWLEDGMENT**

STATE OF KANSAS )  
COUNTY OF SEDOGWICK ) ss:

The foregoing instrument was acknowledged before me this 26<sup>th</sup> day of AUGUST, 2014, by Daniel F. Brooks, Manager of HOP Energies, LLC, a Kansas limited liability company, on behalf of the company.

My commission expires: 4/23/12

  
Notary Public



## EXHIBIT A

## UNIT AREA

(Paxson-Rice Unit #26-1 - S $\frac{1}{2}$  Sec. 26-7-24)

**A FORTY (40) ACRE TRACT IN THE SOUTH HALF (S $\frac{1}{2}$ ) OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 24 WEST OF THE SIXTH P.M., Graham County, Kansas, Beginning 560 feet North of the Southwest Corner of the SE $\frac{1}{4}$  Sec. 26-7-24; thence East 660 feet; thence North 1,320 feet; thence West 1,320 feet; thence South 1,320 feet; thence East 660 feet to the point of beginning.**

**OIL AND GAS LEASES POOLED AND UNITIZED**

1. Paxson SW $\frac{1}{4}$ : Oil and Gas Lease dated January 2, 2013, recorded in Book 259, pages 506-7, from Robert Paxson and Greta Paxson, his wife, Lessors, to and in favor of HOP Energies, LLC, Lessee, in so far as said lease covers:
 

**A TRACT IN THE SOUTHWEST QUARTER (SW $\frac{1}{4}$ ) OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 24 WEST OF THE SIXTH P.M., Graham County, Kansas, Beginning 560 feet North of the Southeast Corner of said SW $\frac{1}{4}$ , thence North 1,320 feet; thence West 660 feet; thence South 1,320 feet; thence East 660 feet to the point of beginning.**
2. Paxson N $\frac{1}{2}$ SE $\frac{1}{4}$ : Oil and Gas Lease dated January 2, 2013, recorded in Book 259, pages 504-5, from Robert Paxson and Greta Paxson, his wife, Lessors, to and in favor of HOP Energies, LLC, Lessee, in so far as said lease covers:
 

**A TRACT IN THE NORTH HALF OF THE SOUTHEAST QUARTER (N $\frac{1}{2}$ SE $\frac{1}{4}$ ) OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 24 WEST OF THE SIXTH P.M., Graham County, Kansas, Beginning at the Southwest Corner of said N $\frac{1}{2}$ SE $\frac{1}{4}$ , thence North 560 feet; thence East 660 feet; thence South 560 feet; thence West 660 feet to the point of beginning.**
3. Rice Trust S $\frac{1}{2}$ SE $\frac{1}{4}$ : Oil and Gas Lease dated April 21, 2014, recorded in Book 267, pages 665-7, from The Trust of A. J. Rice, deceased, (a/k/a The Estate of A. J. Rice, deceased), Michael E. Eck, Dan Worcester, Don Law, Stephen W. Caplinger and Christian W. Caplinger, Trustees, Lessor, to and in favor of HOP Energies, LLC, Lessee, in so far as said lease covers:
 

**A TRACT IN THE SOUTH HALF OF THE SOUTHEAST QUARTER (S $\frac{1}{2}$ SE $\frac{1}{4}$ ) OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 24 WEST OF THE SIXTH P.M., Graham County, Kansas, Beginning at the Northwest Corner of said S $\frac{1}{2}$ SE $\frac{1}{4}$ , thence East 660 feet; thence South 760 feet; thence West 660 feet, thence**



North 760 feet to the point of beginning.

**TRACT PARTICIPATION**

Each of the above tracts will participate in the production of oil, gas and other minerals proportionately based on square footage contribution to the from the Unit Area.

**ROYALTY PARTICIPATION**

Robert and Greta Paxson  
2799 200<sup>th</sup> Ave.  
Penokee, KS 67659

.0890 Royalty

Trust of A. J. Rice, Deceased  
12901 West Aldermy CT  
Wichita, KS 67235

.0360 Royalty