

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

## KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1250232

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

# NOTICE OF INTENT TO DRILL

Expected Spud Date:	Spot Description:		
month day year	Sec Twp S. R E \		
DPERATOR: License#	(0/0/0/0) feet from N / S Line of Section		
lame:	feet from E / W Line of Section		
Address 1:	Is SECTION: Regular Irregular?		
ddress 2:	(Note: Locate well on the Section Plat on reverse side)		
City:	County:		
Contact Person:	Lease Name: Well #:		
Phone:	Field Name:		
CONTRACTOR: License#	Is this a Prorated / Spaced Field?		
lame:	Target Formation(s):		
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):		
	Ground Surface Elevation:feet MS		
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:		
Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable	Public water supply well within one mile:		
Seismic ; # of Holes Other	Depth to bottom of fresh water:		
Other:	Depth to bottom of usable water:		
	Surface Pipe by Alternate: I III		
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:		
Operator:	Length of Conductor Pipe (if any):		
Well Name:	Projected Total Depth:		
Original Completion Date: Original Total Depth:	Formation at Total Depth:		
	Water Source for Drilling Operations:		
Directional, Deviated or Horizontal wellbore? Yes No	Well Farm Pond Other:		
f Yes, true vertical depth:	DWR Permit #:		
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR)		
KCC DKT #:	Will Cores be taken? Yes Yes		
	If Yes, proposed zone:		
ΔFF	IDAVIT		
The undersigned hereby affirms that the drilling, completion and eventual plug			
t is agreed that the following minimum requirements will be met:	3 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4		
Notify the appropriate district office <i>prior</i> to spudding of well;			
	drilling rig:		
<ol> <li>A copy of the approved notice of intent to drill <i>shall be</i> posted on each</li> <li>The minimum amount of surface pipe as specified below <i>shall be set</i> b</li> </ol>	5 ° 5'		
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Agent:

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

Side Two



For KCC Use ONLY	
API # 15	

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

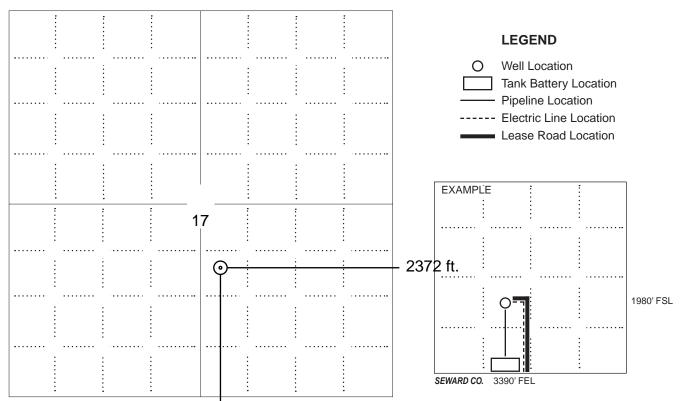
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

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:	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.

#### 1765 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

250232

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  Haul-Off Pit  (If WP Supply API No. or Year Drilled)  Is the pit located in a Sensitive Ground Water A	Pit is:  Proposed  If Existing, date col  Pit capacity:  urea?  Yes	Existing nstructed: (bbls)	SecTwp R East WestFeet from North / South Line of Section Feet from East / West Line of Section County Chloride concentration: mg/l mg/l mg/l reference from reference from mg/l mg/l mg/l reference from reference from mg/l reference from reference from mg/l reference from	
Is the bottom below ground level?  Yes No	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits):	Length (fee			
If the pit is lined give a brief description of the li material, thickness and installation procedure.			dures for periodic maintenance and determining acluding any special monitoring.	
Distance to nearest water well within one-mile of	of pit:	Depth to shallo Source of infor	west fresh water feet. nation:	
feet Depth of water wellfeet		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 s		Type of materia	over and Haul-Off Pits ONLY:  all utilized in drilling/workover:  king pits to be utilized:  procedure:	
flow into the pit? Yes No  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 Num	ber:	Permi	t Date: Lease Inspection: Yes No	



## Kansas Corporation Commission Oil & Gas Conservation Division

1250232

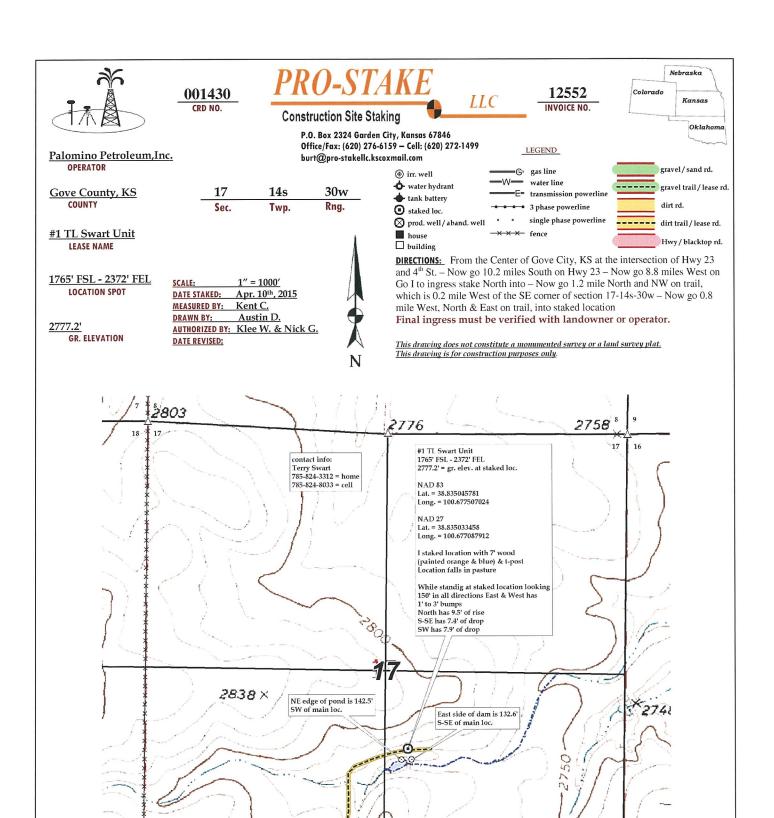
Form KSONA-1
January 2014
Form Must Be Typed
Form must be Signed
All blanks must be Filled

# 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.

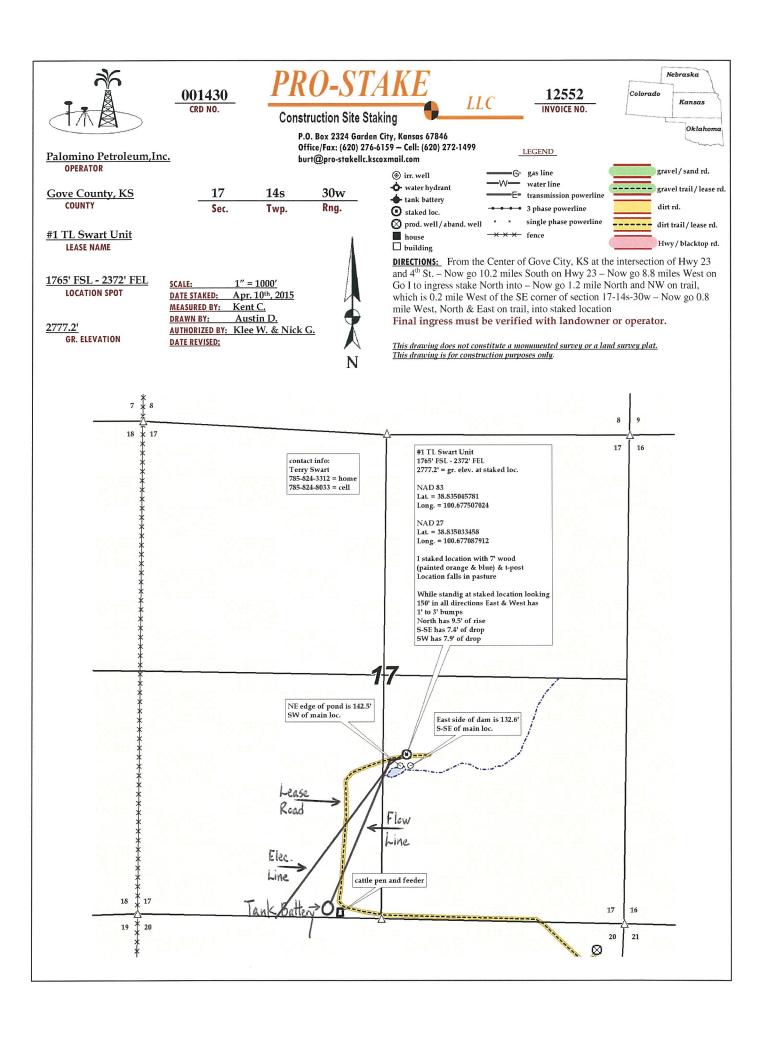
Select the corresponding form being filed: C-1 (Intent) CB-1	(Cathodic Protection Borehole Intent)		
OPERATOR: License #	Well Location:		
Name:	Sec TwpS. R		
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City: State: Zip: +	If filing a Form T-1 for multiple wells on a lease, enter the legal description 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 county, and in the real estate property tax records of the county treasurer.		
Address 2:			
City:			
the KCC with a plat showing the predicted locations of lease roads, tan	odic Protection Borehole Intent), you must supply the surface owners and k batteries, pipelines, and electrical lines. The locations shown on the plat on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.		
<ul> <li>☐ 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 I CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a</li> <li>☐ I have not provided this information to the surface owner(s). I a</li> </ul>	Act (House Bill 2032), I have provided the following to the surface ocated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address.  acknowledge that, because I have not provided this information, the wner(s). To mitigate the additional cost of the KCC performing this		
	s of the surface owner by filling out the top section of this form and		
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-1	fee with this form. If the fee is not received with this form, the KSONA-1-1 will be returned.		
Submitted Electronically			
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attle pen and feeder

20 21

.2,868





63U (Rev. 1993)	OIL AND G	AS LEASE	09-115	316-264-9344-264-5165 fax www.kbp.com · kbp@kbp.com
AGREEMENT, Made and entered into the	10th December	-		2013
and between T.L. Swart, Trustee of	the T.L. Swart Trust dated 1-27-2	2013		
Karol Swart, Trustee o	the Karol Swart Trust dated 1-2	7-2013	- X-X-X-X-X-X-X-X-X-X-X-X-X-X-X-X-X-X-X	
ose mailing address is 2633 County Ro	oad Grinnell, KS 67738		hereinafter called L	essor (whether one or more)
Palomino Petroleum, Inc.				
	NAME OF THE OWNER OWNER OF THE OWNER O			_, hereinafter caller Lessee
Lessor, in consideration of One and Mere acknowledged and of the royalies herein investigating, exploring by goophysical and ustituent products, injecting gas, water, other filthings thereon to produce, save, take care of, ducts manufactured therefrom, and housing a rein situated in County of GOVE	ther means, prospecting drilling, mining ar uids, and air into subsurface strata, laying p treat, manufacture, process, store and transp and otherwise caring for its employees, the fo	te herein contained, hereby grants and operating for and producing of the lines, storing oil, building tan ort said oil, liquid hydrocarbons, s	s, leases and lets exclusively oil, liquid hydrocarbons, all ks, power stations, telephon gases and their respective co with any reversionary rights	gases, and their respective e lines, and other structures astituent products and other
ee attached Exhibit "A" attached hereto	and made a part hereof for lands de	escription		
Section, Township	, Range	, and containing	300	acres, more or less, and al
retions thereto.  Subject to the provisions herein contains	d, this lease shall remain in force for a term	of 3 (three) years from	this date (called "primary te	rm"), and as long thereafte
il, liquid hydrocarbons, gas or other respective.  In consideration of the premises the said.		roduced from said land or land w	ith which said land is pooled	
	ee of cost, in the pipe line to which lessee m	ay connect wells on said land, th	e equal one-eighth (%) part o	f all oil produced and save
he market price at the well, (but, as to gas a sineae, or in the manufacture of products the soyalty One Dollar (\$1.00) per year per net rining of the preceding paragraph.  This lease may be maintained during it this lease or any extension thereof, the lease and in paying quantities, this lease shall contile if said lessor only in the proportion which lease did in paying quantities, this lease shall contile is a said lease or the said lease of the said lease	efrom, said payments to be made monthly, univeral acre retained hereunder, and if such a half and the primary term hereof without further pay shall have the right to drill such well to a use and be in force with like effect as if such a day and the force with like effect as if such a day and the produced on said let a bove described land than the entire and it is income and the said of t	when (W) of the proceeds received where gas from a well producin h payment or tender is made it v ment or drilling operations. If it might be made it with the man and it will be made in the da an instrument identifying at on production from the pooled her the well or wells be located obled only such portion of the it.	by lessee from such sales, it gas only is not sold or use in gas only is not sold or use will be considered that gas in the lessee shall commence to rece and dispatch, and if oil the term of years first ment ein, then the royalties herein, except water from the wells sor.  except water from the control of the sor.  except water from the sor.  except water from the sor.  except water from the wells  except water from the sor.  except water from the wells  except wa	or the gas soid, used of it is, all lessee may pay or tende as being produced within the drill a well within the terror gas, or either of them, being an interest of the pair of lessor.  shall extend to their heim on the lessee until after the relieved of all obligations or interest of the produced by
ced in the unit or his royalty interest therein	n an acreage basis bears to the total acrea	ge so pooled in the particular uni	t involved.	
nis lease is subject to a Letter Agre	ement between Lessor and Les	see dated 12-10-13.		
IN WITNESS WHEREOF, the undersign	ed execute this instrument as of the day an	nd year first above written.	Swart	
L. Swart, Trustee		Karol Swart, Trustee		pare or a
.L. Swart Trust dated 1-27-2013		Karol Swart Trust dated	1-27-2013	

STATE OF KANSAS, GOVE COUNTY SS
REGISTER OF DEEDS

Book: 187 Page: 766-769

Receipt #: 18343

Receipt #: 18343

Recorded: 4

City - Luttle

1 1 10 700 70010 10 E0 00 DM

Attached to and made a part hereof of Oil and Gas Lease dated December 10<sup>th</sup>, 2013 by and between T.L. Swart, Trustee of the T.L. Swart Trust dated 1-27-2013 and Karol Swart, Trustee of the Karol Swart Trust dated 1-27-2013 as Lessors and Palomino Petroleum, Inc. as Lessee, covering the following described property in Gove County, Kansas to wit:

See 'Exhibit A' attached hereto and made a part hereof;

## Rider

1. Lessee or assigns agree that in the event of drilling operations conducted on the lands herein described it will restore the surface of the land to its original contour and condition as nearly as is reasonably practicable and pay for damages caused by their operations. All top soil shall be piled separately and returned to the surface when the pits are filled. Lessee or assigns shall consult with Lessor or Lessor's agent as to routes of ingress and egress and location of equipment on the leased premises.

2. Any spillage of salt water or petroleum products shall be cleaned up to comply with all applicable federal, state and local regulations. Where the clean up requires removal of top soil, the removed contaminated soil shall be replaced with quality top soil that is compatible

with Lessor's land use.

3. In the event of drilling operations, the pits shall not be filled until they are sufficiently dry. All trash, debris and contaminated materials shall be removed from the pits before they are filled. Lessor shall be notified prior to filling the pits so that he and/or his farm tenant can inspect the area for compliance with this requirement. All pipelines shall be buried to a depth of 36 inches where the subsurface is free from rocks to allow the trenching and 24 inches if otherwise practicable.

4. If the premises is subject to pasturing livestock, Lessec or assigns agree to properly fence all pits and ponds and protect the livestock from their drilling operations and afterwards fence the equipment in the event of continuing production operations and install steel gates

where needed at locations of ingress and egress.

5. Lessee shall give Lessor notice of its intent to do 3-D seismic exploration on the captioned land and shall perform such activities so as to not unduly damage the premises or crops thereon. Compensation will be paid to Lessor for any seismic activities on the captioned property.

6. Notwithstanding the pooling provision in the last paragraph of this oil and gas lease, the pooling of tracts contiguous to one another and to be into a unit or units shall not exceed 40

acres each in the event of an oil well.

7. All lease roads, well sites, tank batteries and all areas surrounding Lessec's operation

shall be maintained by Lessee in a clean condition.

8. In the event Lessee acquires an Oil and Gas Lease(s) from a third party(ies) covering an undivided mineral interest in any portion of the lands described herein and said lease(s) provides for a royalty interest greater than one-eight (1/8th), then Lessee hereby agrees to amend this lease to provide for a royalty interest equal to the largest royalty agreed to by Lessee in any such lease acquired by Lessee from a third party(ies). Any amendment to this lease to increase the royalty interest shall only pertain to that portion of the lands described herein that are also described in a lease acquired by Lessee from a third party(ies) that provides for a royalty interest greater than one-eighth (1/8th).

9. It is understood and agreed that the above-described Tracts shall constitute separate and individual Leases according to the terms herein established. Production on any single Tract

above shall not hold any other Tract Lease by said production.

- 1 30 A

## EXHIBIT "A"

Attached to and made part of that certain Oil and Gas Lease dated December 10, 2013, by and between T.L. Swart, Trustee of the T.L. Swart Trust dated 1-27-2013 and Karol Swart, Trustee of the Karol Swart Trust dated 1-27-2013, as Lessors and Palomino Petroleum, Inc. as Lessee covering the following described land:

### Township 14 South, Range 30 West, Gove County, KS

Tract 1)	Section 4: NE/4
Tract 2)	Section 4: SE/4
Tract 3)	Section 5: NE/4
Tract 4)	Section 5: SE/4
Tract 5)	Section 8: NE/4
Tract 6)	Section 8: SW/4
Tract 7)	Section 9: NW/4
Tract 8)	Section 9: NE/4
Tract 9)	Section 9: SW/4
Tract 10)	Section 9: SE/4
Tract 11)	Section 16: NW/4
Tract 12)	Section 16: SW/4
Tract 13)	Section 17: E/2 NW/4
Tract 14)	Section 17: NE/4
Tract 15)	Section 17: SW/4
Tract 16)	Section 17: SE/4
Tract 17)	Section 20: NW/4
Tract 18)	Section 21: SW/4

This lease shall be considered for all purposes a separate lease on each tract listed above.