



1254145

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

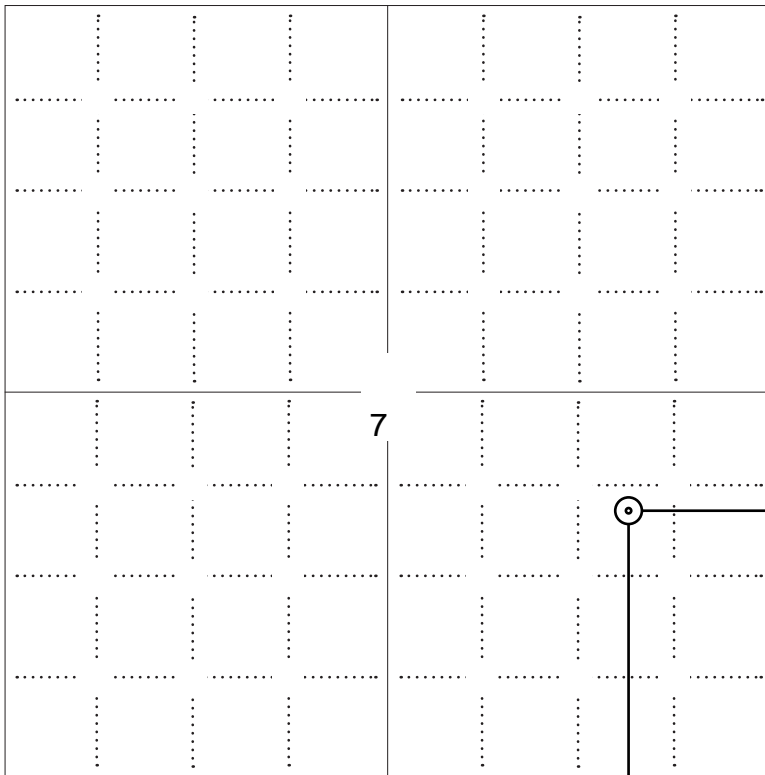
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

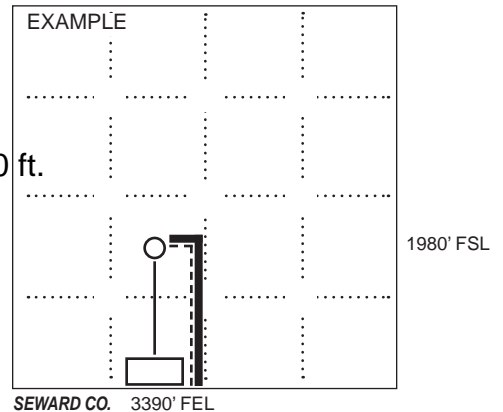
PLAT

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.



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.

1825 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 1254145
OIL & GAS CONSERVATION DIVISION

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: <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	
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? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: 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.	
<p>Submitted Electronically</p>			

KCC OFFICE USE ONLY			
		<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

I



Southern Star Central Gas Pipeline, Inc.
4700 Hwy 56
P.O. Box 20010
Owensboro, Kentucky 42301
Phone 270/852-5000

June 29, 2015

Sent via E-mail

Kansas Corporation Commission
266 North Main Street, Suite 220
Wichita, KS 67202-1513
Attn: Mr. Rick Hestermann

Re: KLM Exploration Company, Inc. Notice of Intent to Drill Oil Wells,
Sec 7, T10S, R20E, Jefferson County, KS

Dear Mr. Hestermann:

Southern Star Central Gas Pipeline, Inc ("Southern Star") is the owner and operator of the McLouth Gas Storage Field in Jefferson and Leavenworth Counties, KS. KLM Exploration Company, Inc. ("KLM") has provided Southern Star notices of Intent to Drill Oil Wells in Section 3, Township 10S, Range 20E, in Jefferson County, Kansas. KLM apparently plans to drill four wells (Seaver #20, Seaver #21, Seaver #22 and Seaver #23) within the boundaries of the McLouth Gas Storage Field. The approximate location of the Seaver #20 is 2,150 feet from the south section line and 990 feet from the east section line; the approximate location of the Seaver #21 is 2,475 feet from the south section line and 990 feet from the east section line; the approximate location of the Seaver #22 is 2,155 feet from the south section line and 330 feet from the east section line; and the approximate location of the Seaver #23 is 2,475 feet from the south section line and 330 feet from the east section line. The projected total depth of both wells is 1,600 feet, with the formation at that depth being the McLouth Sand.

Southern Star submits this letter pursuant to K.A.R. 82-3-311 (d), which permits a natural gas storage field operator to respond to a 30-day notification of an oil operator of their intent to drill through the storage field. The rule permits the storage field operator to recommend the manner, methods and materials be used in drilling and completing wells drilled through the storage field. Southern Star submits the following recommendations:

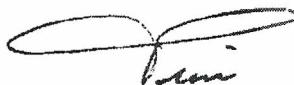
- 1) KLM shall set surface casing in accordance with Commission requirement;
- 2) KLM shall install, test and maintain blowout prevention valves and related equipment;
- 3) KLM shall employ rotary drilling methods and use drilling mud of sufficient weight and with proper additives to contain the pressure of the storage field (Request the current bottom hole pressure from Southern Star prior to commencing drilling operations);

- 4) KLM shall add an adequate amount of biocide to prevent any contamination by drilling and completion fluids carrying or containing sulfate reducing bacteria and/or acid producing bacteria.
- 5) KLM shall cement all casing strings with cement circulated to the surface;
- 6) KLM shall use all reasonable precautions during drilling operations to protect the McLouth storage reservoir and in the event of any emergency in any way affecting the storage reservoir, KLM shall immediately notify Southern Star and the KCC, and shall utilize all methods and procedures; available to protect the public, fresh water and the McLouth storage reservoir;
- 7) KLM shall notify Southern Star at least one week before drilling commences;
- 8) KLM shall furnish Southern Star a copy of all tests and well logs following completion of the well;
- 9) In the event hole is lost or abandoned and KLM decides to plug and abandon the well, KLM shall clean out the well to total depth drilled and shall plug the well with solid with Class A cement to surface;
- 10) KLM shall provide Southern Star access to the well site at all times during the drilling, completion, operation or plugging of the well and access to all records relating to the drilling, equipping, maintenance, operation, or plugging of the well;
- 11) KLM shall provide Southern Star access to the well to inspect or test the well and review all operational records during the life of the well;
- 12) KLM shall conduct its operations, within the McLouth Gas Storage Field, while gas is stored under these lands, to prevent the escape of gas from and the intrusion of water or other substances into any formation in which gas is so stored;
- 13) KLM shall not commence any manner or form of secondary or tertiary recovery within the McLouth Gas Storage Field; and
- 14) KLM shall not utilize well/formation fracture treatments, water/steam flooding, and/or other well stimulation techniques within the McLouth Gas Storage Field. KLM shall not initiate fractures within the McLouth Storage Reservoir and/or through the overlying or underlying strata.

In summary, Southern Star does not object to KLM's proposed drilling of the Seaver #20, #21, #22 and #23 wells, as long as the above conditions are imposed on KLM. Southern Star reserves its right to comment and be heard in any and all formal proceedings before the KCC related to the proposed wells referenced above.

If you have any questions, please give me a call at 270-852-4554.

Respectfully Submitted,



Tim Meyer
Manager, Storage Services

Copies to:

KLM Energy Solutions, Inc.
Attn: Mr. Jim Goad

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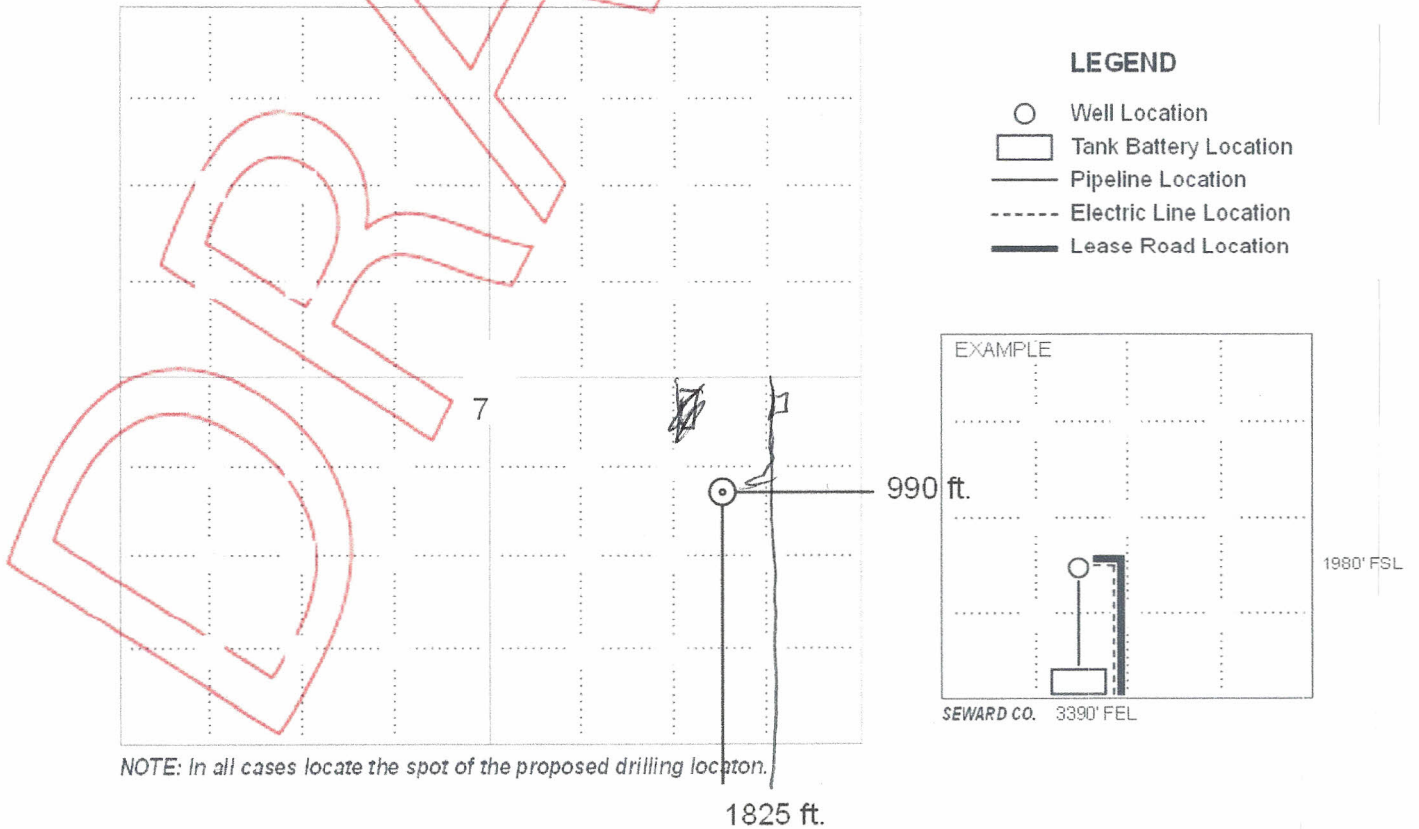
Operator: KLM Exploration Company, Inc. Location of Well: County: Jefferson
 Lease: Seaver 1825 feet from N / S Line of Section
 Well Number: 23 990 feet from E / W Line of Section
 Field: McLouth South Sec 7 Twp. 10 S. R. 20 E W
 Number of Acres attributable to well: _____
 Is Section: Regular or Irregular
 QTR/QTR/QTR/QTR of acreage: N2 - SW - NE - SE
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513



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

Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Pat Apple, Commissioner

Sam Brownback, Governor

August 03, 2015

Jim Goad
KLM Exploration Company, Inc.
600 E LAKE
PO BOX 151
MCLOUTH, KS 66054-0151

Re: Drilling Pit Application
Seaver 23
SE/4 Sec.07-10S-20E
Jefferson County, Kansas

Dear Jim Goad:

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 (620) 432-2300 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) 432-2300.