



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

KANSAS CORPORATION COMMISSION 1321218
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# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____

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

Is SECTION: Regular Irregular?

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

CONTRACTOR: License# _____
 Name: _____

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____

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: _____

| Well Drilled For: | Well Class: | Type Equipment: |
|---|-----------------------------------|-------------------------------------|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Mud Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Pool Ext. |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Other | <input type="checkbox"/> Wildcat |
| <input type="checkbox"/> Other: _____ | | <input type="checkbox"/> Cable |

If OWWO: old well information as follows:

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

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

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

| |
|--|
| <p>For KCC Use ONLY</p> <p>API # 15 - _____</p> <p>Conductor pipe required _____ feet</p> <p>Minimum surface pipe required _____ feet per ALT. <input type="checkbox"/> I <input type="checkbox"/> II</p> <p>Approved by: _____</p> <p>This authorization expires: _____ <small>(This authorization void if drilling not started within 12 months of approval date.)</small></p> <p>Spud date: _____ Agent: _____</p> |
|--|

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

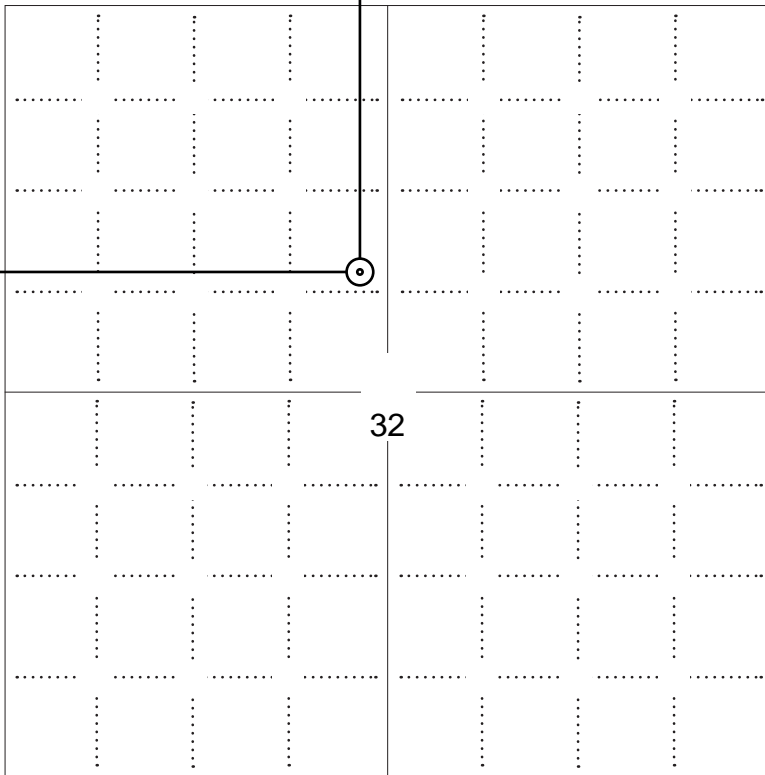
PLAT

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.

1825 ft.

2440 ft.



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 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.



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. | |
| Submitted Electronically | | | |

| | | | |
|----------------------------|--|---|--|
| 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.

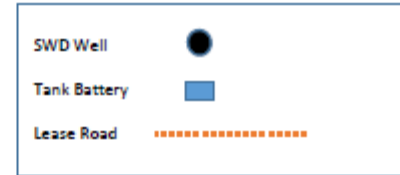
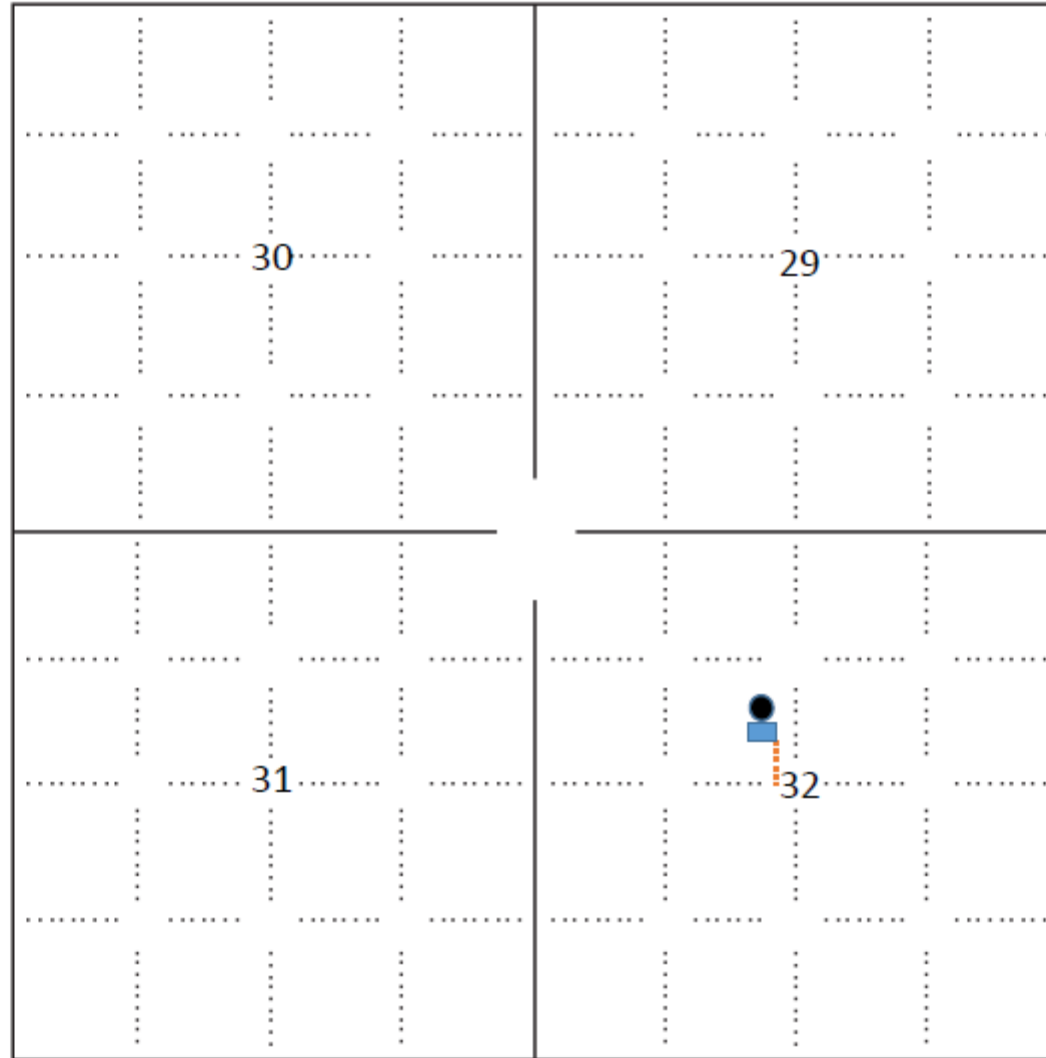
If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I Submitted Electronically

I

Destiny Petroleum

Jayhawk 3203 SL 2-32H
1825' FNL & 2440' FWL
Section 32, T32S, R3W

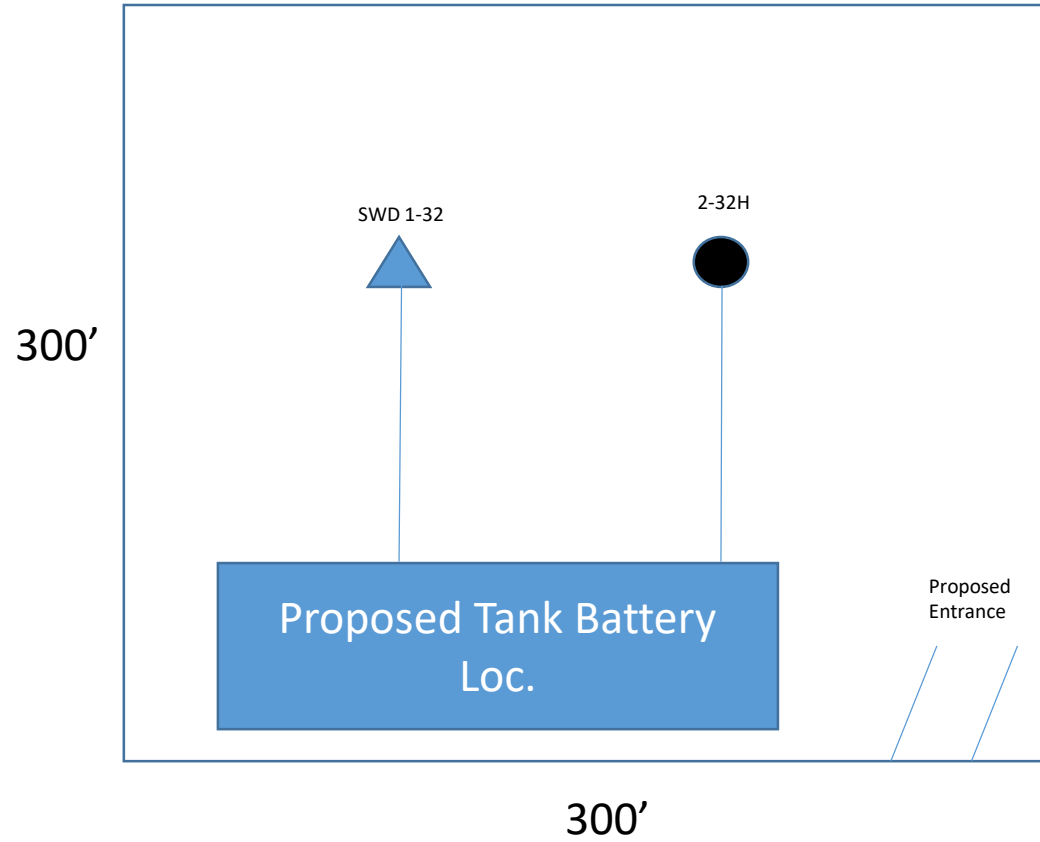
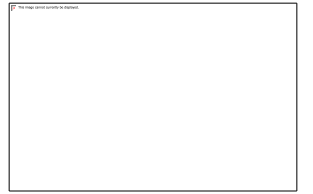


1,825' FNL

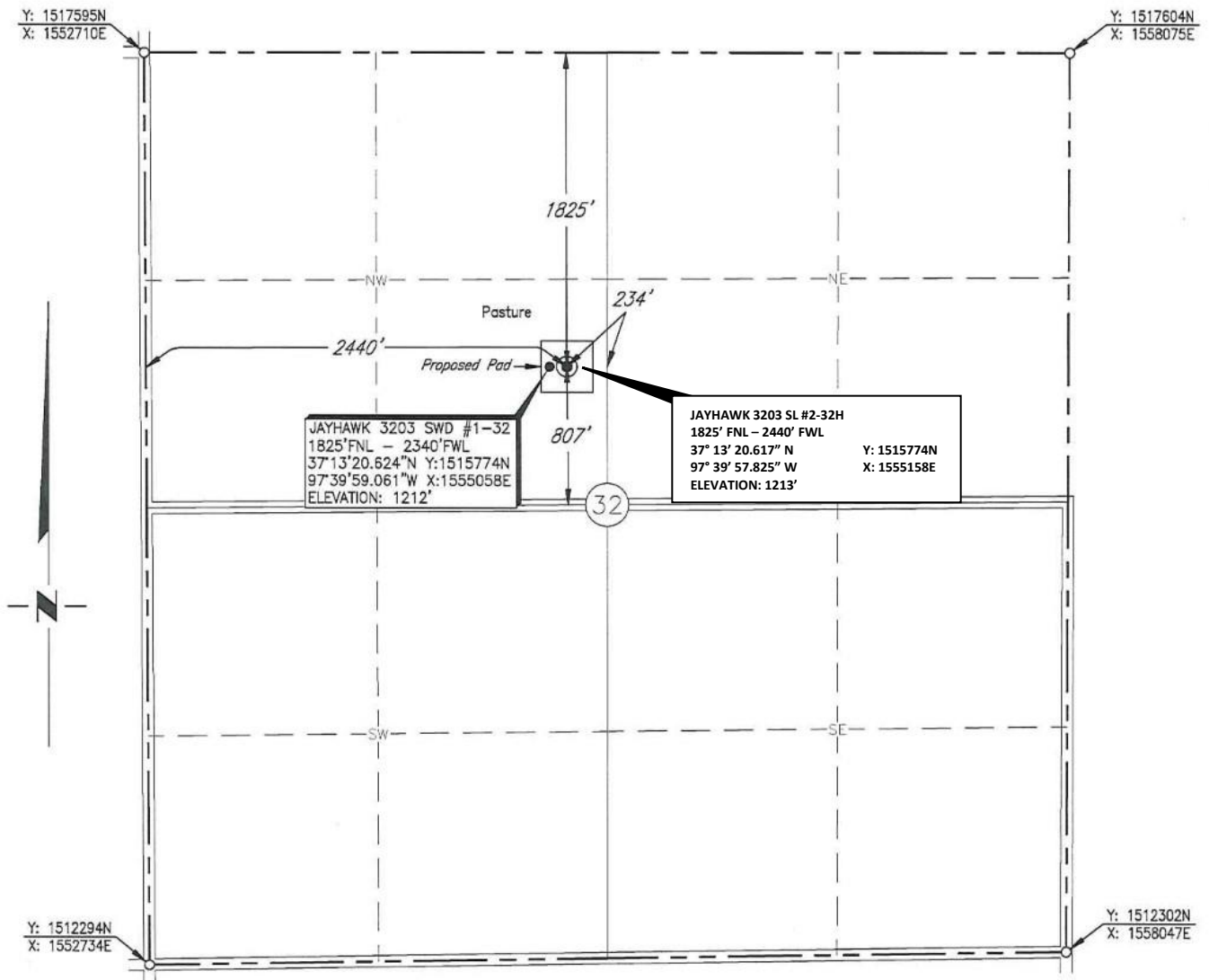
2,440' FWL



Jayhawk 3203 SL 2-32 H
Location NW4 32-32S-3W



SUMNER County, Kansas
 1825'FNL - 2440'FWL Section 32 Township 32S Range 3W I.M.



Scale: 1" = 1000'

Date Staked: November 7, 2016

GPS Observation: Latitude 37°13'20.617" N
 Longitude 97°39'57.825" W
 Latitude 37.22239 N
 Longitude 97.66606 W

State Plane NAD83 Y:1515774N
 Kansas South Zone: X:1555158E

Operator: DESTINY PETROLEUM LLC Elevation: 1213'

Lease Name: JAYHAWK 3203 SL Well No.: 2-32

Topography & Vegetation: Pasture

Alternate Location Stakes Set: No Good Drill Site? Yes

Best Accessibility to Location: From the West Line

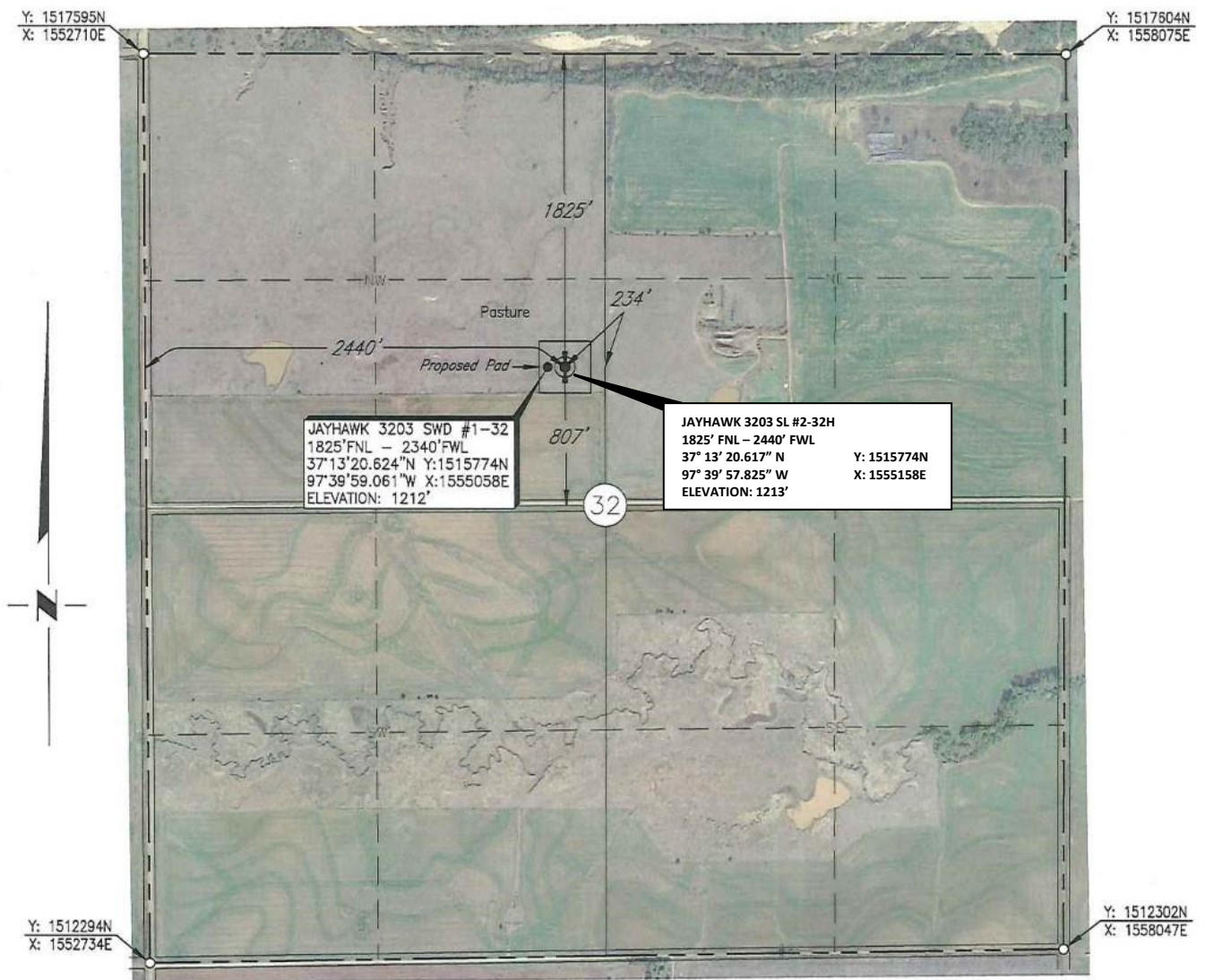
Distance & Direction
 from Hwy Jct or Town: From the town of Milan; Thence south 2 miles to the Northwest Corner of Section 32.

D. Mike Dossey
 1530 SW 89th St., Bldg. C-3
 Oklahoma City, OK 73159

This drawing does not
 constitute a monumented
 survey or a plat of survey.



SUMNER County, Kansas
 1825'FNL - 2440'FWL Section 32 Township 32S Range 3W I.M.



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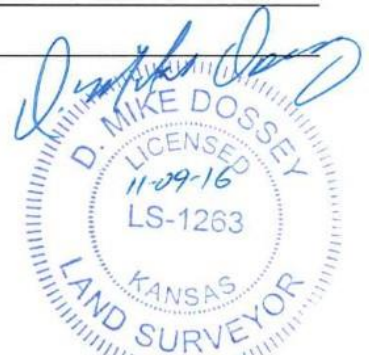
Alternate Location Stakes Set: No Good Drill Site? Yes

Best Accessibility to Location: From the West Line

Distance & Direction
 from Hwy Jct or Town: From the town of Milan; Thence south 2 miles to the Northwest
 Corner of Section 32.

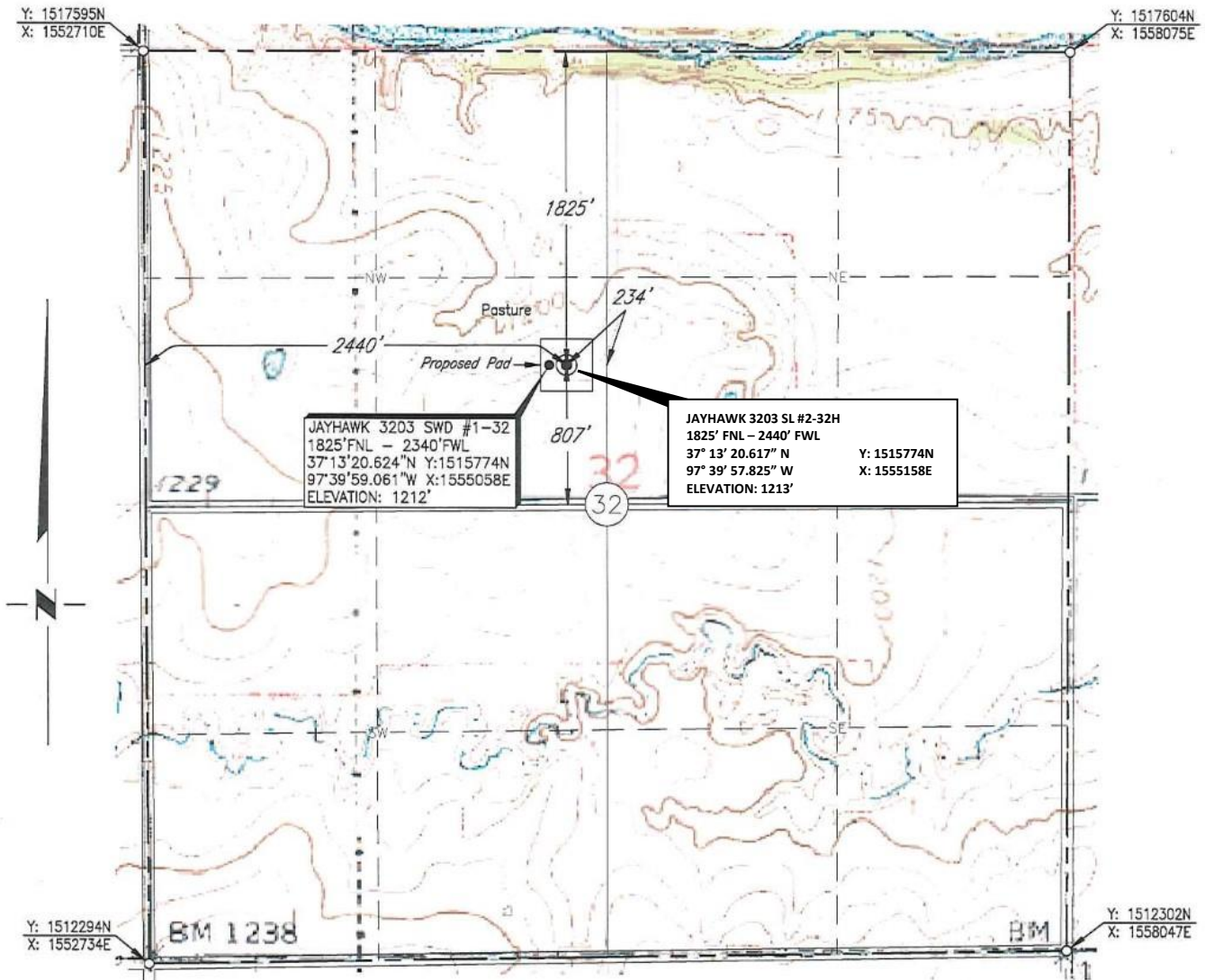
D. Mike Dossey
 1530 SW 89th St., Bldg. C-3
 Oklahoma City, OK 73159
 Ph. (405) 692-7348

This drawing does not
 constitute a monumented
 survey or a plat of survey,
 no corners were set during
 this construction staking.



SUMNER County, Kansas

1825'FNL - 2440'FWL Section 32 Township 32S Range 3W I.M.



Scale: 1" = 1000'

Date Staked: November 7, 2016

GPS Observation: Latitude 37° 13' 20.617" N
Longitude 97° 39' 57.825" W
Latitude 37.22239 N
Longitude 97.66606 W

State Plane NAD83 Y:1515774N
Kansas South Zone: X:1555158E

Operator: DESTINY PETROLEUM LLC Elevation: 1213'

Lease Name: JAYHAWK 3203 SL Well No.: 2-32

Topography & Vegetation: Pasture

Alternate Location Stakes Set: No Good Drill Site? Yes

Best Accessibility to Location: From the West Line

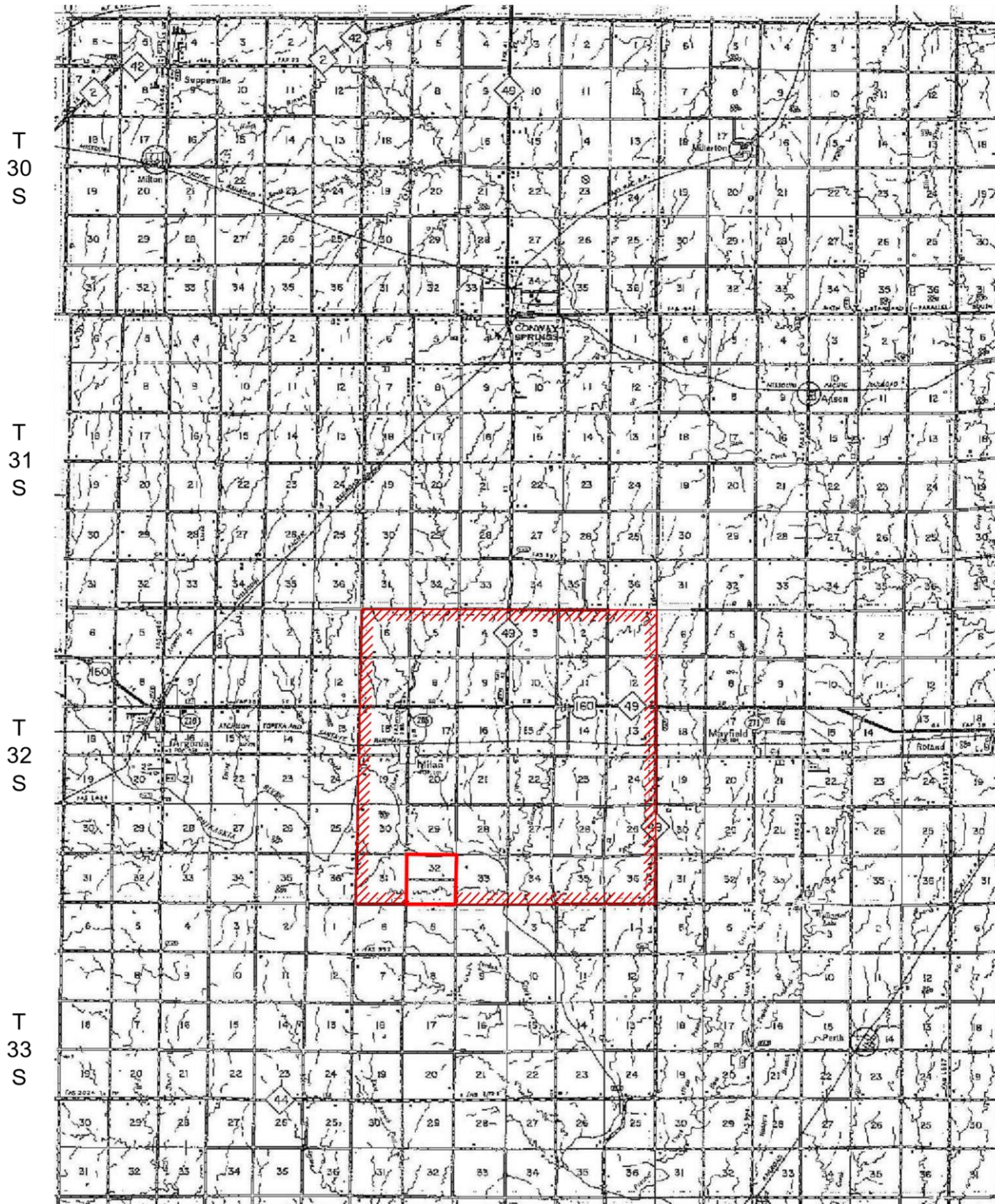
Distance & Direction
from Hwy Jct or Town: From the town of Milan; Thence south 2 miles to the Northwest Corner of Section 32.

D. Mike Dossey
1530 SW 89th St., Bldg. C-3
Oklahoma City, OK 73159
Ph. (405) 692-7348

This drawing does not constitute a monumented survey or a plat of survey, no corners were set during this construction staking.



| | | | | |
|-----------------------|-----|----------|------|----|
| JOB NO.: 1614263_TOPO | | | | |
| DATE: 11/08/16 | | | | |
| DRAWN BY: T.A.W. | NO. | REVISION | DATE | BY |



R 4 W

R 3 W

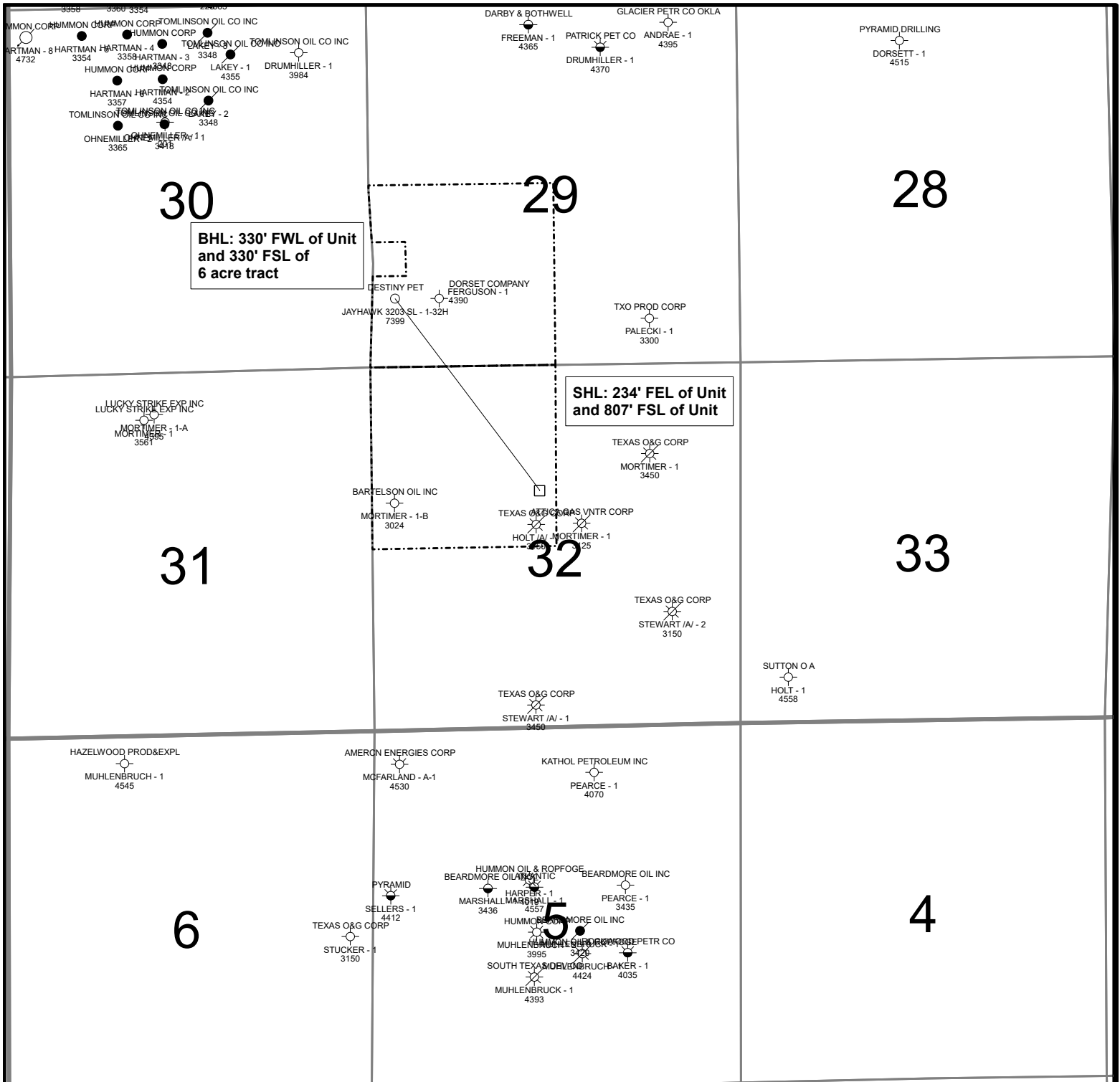
R 2 W

PLAT SHOWING
 VICINITY MAP FOR
 SECTION 32, T32S - R3W
 SUMNER COUNTY, KANSAS

| NO. | REVISION | DATE | BY |
|--------------|----------|--------|----|
| SURVEYED BY: | | D.O. | |
| DRAWN BY: | | T.A.W. | |
| APPROVED BY: | | D.M.D. | |

DESTINY PETROLEUM LLC

| | |
|-----------|---------------|
| SCALE: | 1" = 3 Miles |
| DATE: | 11/08/16 |
| JOB NO.: | 1614263 |
| DWG. NO.: | 1614.263_VMAP |
| AFE. NO.: | |
| SHEET | 1 OF 1 |



314 Acre Drilling Unit

1 inch = 2000 feet



Unit Description:

NW/4 of Section 32, T32S, R3W and SW/4 of Section 29, T32S, R3W Less a tract of land described as: Commencing at a point 853.31 feet South of the NW/C of the SW/4 (said point being on the West line of said Quarter Section), thence East an interior angle of 90 deg. 00 min. a distance of 562.69 ft. to a point; thence South an interior angle of 90 deg. 00 min. a distance of 466.69 ft. to a point; thence West an interior angle of 90 deg. 00 min. a distance of 562.69 ft. to a point on the West line; thence North an interior angle of 90 deg. 00 min. a distance of 466.69 ft. to the POB



Destiny Petroleum LLC

Jayhawk 3203 1-32H
Sumner County, Kansas

SHL: 1,825' FNL & 2,440' FWL
Section 32, T32S, R3W
BHL: 990' FSL & 330'FWL
Section 29, T32S, R3W

Jayhawk 3203 SL 2-32H

Sumner County KS

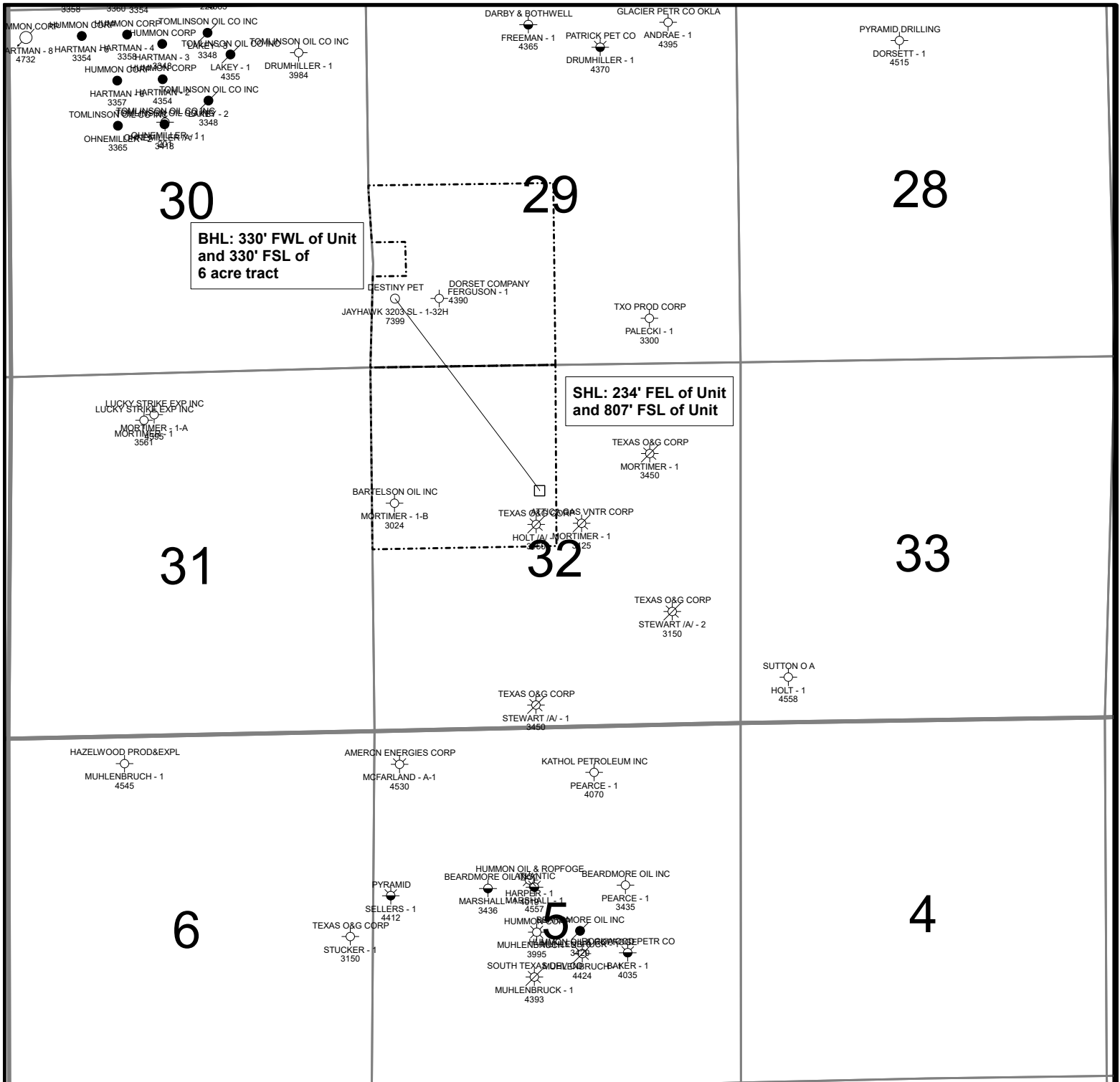
Unit Description:

NW/4 Section 32 – T32S 43W

SW/4 Section 29 - 32S 3W SW/4 Less a tract of land described as: Commencing at a point 853.31 feet South of the NW/C of the SW/4 (said point being on the West line of said Quarter Section), thence East an interior angle of 90 deg. 00 min. a distance of 562.69 ft. to a point; thence South an interior angle of 90 deg. 00 min. a distance of 466.69 ft. to a point; thence West an interior angle of 90 deg. 00 min. a distance of 562.69 ft. to a point on the West line; thence North an interior angle of 90 deg. 00 min. a distance of 466.69 ft. to the POB consisting of 6.0285 acres

Surface Owners:

Jed Tencleve, Executor of the Estate of Keith B. Mortimer
477 South Sumner Road
Mayfield, KS 67103



314 Acre Drilling Unit

1 inch = 2000 feet



Unit Description:

NW/4 of Section 32, T32S, R3W and SW/4 of Section 29, T32S, R3W Less a tract of land described as: Commencing at a point 853.31 feet South of the NW/C of the SW/4 (said point being on the West line of said Quarter Section), thence East an interior angle of 90 deg. 00 min. a distance of 562.69 ft. to a point; thence South an interior angle of 90 deg. 00 min. a distance of 466.69 ft. to a point; thence West an interior angle of 90 deg. 00 min. a distance of 562.69 ft. to a point on the West line; thence North an interior angle of 90 deg. 00 min. a distance of 466.69 ft. to the POB

| | |
|--|------------------------------|
| | Destiny Petroleum LLC |
|--|------------------------------|

Jayhawk 3203 1-32H
Sumner County, Kansas

SHL: 1,825' FNL & 2,440' FWL
Section 32, T32S, R3W
BHL: 990' FSL & 330'FWL
Section 29, T32S, R3W

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



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

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

Sam Brownback, Governor

November 17, 2016

Ben Sargent
Destiny Petroleum LLC
21 Waterway
Suite 300
THE WOODLANDS, TX 77380

Re: Drilling Pit Application
Jayhawk 3203 SL 2-32H
NW/4 Sec.32-32S-03W
Sumner County, Kansas

Dear Ben Sargent:

According to the drilling pit application referenced above, no earthen pits will be used at this location. Steel pits will 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.

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 (316) 630-4000.

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

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

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.

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 **producing** 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.