[redacted]

1354398

For KCC Use:
Effective Date: 05/10/2017
District # 3
SGA? [ ] Yes [X] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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.

Form C-1
March 2010
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date: 5/6/2017 (month / day / year)

OPERATOR: License# 3728
Name: RJ Energy, LLC
Address 1: 22082 NE NEOSHO RD
Address 2:
City: GARNETT State: KS Zip: 66032 + 1918
Contact Person: Roger Kent
Phone: 785-448-6995

CONTRACTOR: License# 3728
Name: RJ Energy, LLC

Well Drilled For:	Well Class:	Type Equipment:
[X] Oil	[X] Infield	[X] Mud Rotary
[ ] Gas	[ ] Pool Ext.	[ ] Air Rotary
[ ] Enh Rec	[ ] Storage	[ ] Wildcat	[ ] Cable
[ ] Disposal		
[ ] 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 - SE - NW - NW (Q/Q/Q/Q) Sec. 20 Twp. 23 S. R. 16 [X] E [ ] W
4004 feet from [ ] N / [X] S Line of Section
4048 feet from [X] E / [ ] W Line of Section
Is SECTION: [X] Regular [ ] Irregular?

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

County: Woodson
Lease Name: Sutherland #2 Well #: 11-A
Field Name: Vernon
Is this a Prorated / Spaced Field? [ ] Yes [X] No
Target Formation(s): squirrel
Nearest Lease or unit boundary line (in footage): 1232
Ground Surface Elevation: 1036 Estimated feet MSL
Water well within one-quarter mile: [ ] Yes [X] No
Public water supply well within one mile: [ ] Yes [X] No
Depth to bottom of fresh water: 50
Depth to bottom of usable water: 150
Surface Pipe by Alternate: [ ] I [X] II
Length of Surface Pipe Planned to be set: 40
Length of Conductor Pipe (if any):
Projected Total Depth: 1200
Formation at Total Depth: squirrel
Water Source for Drilling Operations:
[ ] Well [ ] Farm Pond [X] Other: steel pit
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 - 15-207-29449-00-00
Conductor pipe required 0 feet
Minimum surface pipe required 40 feet per ALT. [ ] I [X] II
Approved by: Rick Hestermann 05/05/2017
This authorization expires: 05/05/2018
(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:

20 23 16 [X] E [ ] W

Side Two

[redacted]

1354398

For KCC Use ONLY

API # 15 - 15-207-29449-00-00

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: RJ Energy, LLC

Lease: Sutherland #2

Well Number: 11-A

Field: Vernon

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: SE - SE - NW - NW

Location of Well: County: Woodson

4004 feet from ☐ N / ☒ S Line of Section

4048 feet from ☒ E / ☐ W Line of Section

Sec. 20 Twp. 23 S. R. 16 ☒ E ☐ W

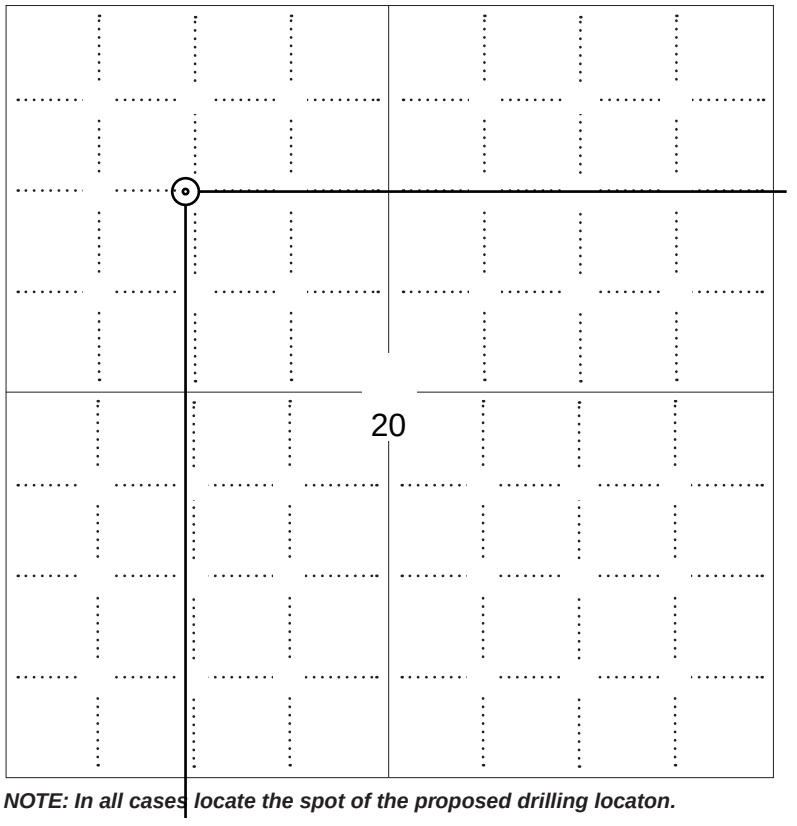
Is Section: ☒ Regular or ☐ Irregular

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

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

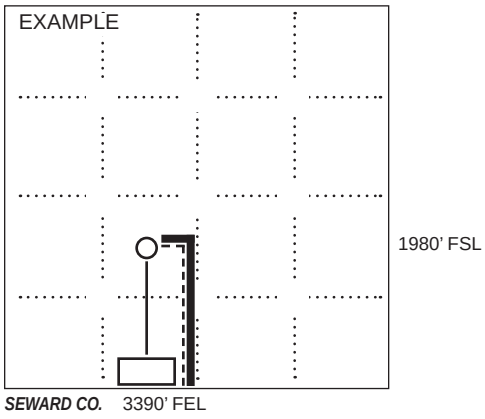
PLAT

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 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.

[redacted]

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1354398

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: RJ Energy, LLC | License Number: 3728

Operator Address: 22082 NE NEOSHO RD GARNETT KS 66032

Contact Person: Roger Kent | Phone Number: 785-448-6995

Lease Name & Well No.: Sutherland #2 11-A

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: (bbls)

Pit Location (QQQQ): SE - SE - NW - NW
Sec. 20 Twp. 23 R. 16 ☒ East ☐ West
4004 Feet from ☐ North / ☒ South Line of Section
4048 Feet from ☒ East / ☐ West Line of Section
Woodson County

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?

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

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

Depth to shallowest fresh water 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:

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

☐ Liner ☒ Steel Pit ☒ RFAC ☐ RFAS

Date Received: 05/05/2017 Permit Number: 15-207-29449-00-00 Permit Date: 05/05/2017 Lease Inspection: ☐ Yes ☒ No

[redacted]

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1354398

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 # 3728
Name: RJ Energy, LLC
Address 1: 22082 NE NEOSHO RD
Address 2:
City: GARNETT State: KS Zip: 66032 + 1918
Contact Person: Jason Kent
Phone: (785) 448-4101 Fax: ( )
Email Address:

Well Location:
SE - SE - NW - NW Sec. 20 Twp. 23 S. R. 16 ☒ East ☐ West
County: Woodson
Lease Name: Sutherland #2 Well #: 11-A

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

Surface Owner Information:
Name: Donald & Eugene Sutherland
Address 1: 415 Oxen RD
Address 2:
City: Leroy State: KS Zip: 66857 +

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



TOPO U.S. 100K v5.01

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0 0.05 0.10 0.15 0.20 mi

N38.03152° W95.67601°

Sutherland

GARMIN

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

Kansas
Corporation Commission

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

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

Sam Brownback, Governor

May 05, 2017

Roger Kent
RJ Energy, LLC
22082 NE NEOSHO RD
GARNETT, KS 66032-1918

Re: Drilling Pit Application
Sutherland #2 11-A
NW/4 Sec.20-23S-16E
Woodson County, Kansas

Dear Roger Kent:

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 (620) 432-2300.

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

Kansas
Corporation Commission

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

Pat Apple, Chairman
Shari Feist Albrecht, 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.

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.