

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION 1357885
 OIL & GAS CONSERVATION DIVISION
WELL PLUGGING RECORD
 K.A.R. 82-3-117

Form CP-4
 March 2009
Type or Print on this Form
Form must be Signed
All blanks must be Filled

OPERATOR: License #: _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: (_____) _____
 Type of Well: (Check one) Oil Well Gas Well OG D&A Cathodic
 Water Supply Well Other: _____ SWD Permit #: _____
 ENHR Permit #: _____ Gas Storage Permit #: _____
 Is ACO-1 filed? Yes No If not, is well log attached? Yes No
 Producing Formation(s): List All (If needed attach another sheet)
 _____ Depth to Top: _____ Bottom: _____ T.D. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____

API No. 15 - _____
 Spot Description: _____
 _____ - _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ East West
 _____ Feet from North / South Line of Section
 _____ Feet from East / West Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
 County: _____
 Lease Name: _____ Well #: _____
 Date Well Completed: _____
 The plugging proposal was approved on: _____ (Date)
 by: _____ (KCC District Agent's Name)
 Plugging Commenced: _____
 Plugging Completed: _____

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface, Conductor & Production)			
Formation	Content	Casing	Size	Setting Depth	Pulled Out

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plugging Contractor License #: _____ Name: _____
 Address 1: _____ Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Phone: (_____) _____
 Name of Party Responsible for Plugging Fees: _____
 State of _____ County, _____, ss.
 _____ Employee of Operator or Operator on above-described well,
 (Print Name)

being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

Submitted Electronically

June 20, 2017

Edward S Nemnich
K & N Petroleum, Inc.
1105 WALNUT
GREAT BEND, KS 67530

Re: Well Plugging
API 15-159-22711-00-00
MOOS "A" 2
NE/4 Sec.29-18S-10W
Rice County, Kansas

Dear Edward S Nemnich:

On June 19, 2017 an operator well plugging report (CP-4) was received, which indicated to Staff that Daystar Petroleum, Inc. is the current operator of the MOOS "A" lease. However, Conservation Division records indicate you have not filed a Request for Change of Operator, Transfer of Injection or Surface Pit Permit (Conservation Division Form "T-1") transferring operator responsibility to Daystar Petroleum, Inc. for the MOOS "A" lease. K & N Petroleum, Inc. therefore remains the Commission's operator of record and party responsible for the proper care and control of MOOS "A" lease.

K.A.R. 82-3-136(a) provides that if operator responsibility is transferred, the past operator shall report the transfer to the Conservation Division with 30 days of the change upon a form prescribed by the Commission (the T-1); and/or K.A.R. 82-3-410(a) provides that authority to operate an injection well shall not be transferred from one operator to another without the approval of the Conservation Division. Furthermore, the transferring operator shall in writing notify the Conservation Division of its intent to transfer the injection authority, on a form prescribed by the Commission, the T-1, and in compliance with K.A.R. 82-3-136.

Staff will provide you with 28 days from this letter's date to bring the MOOS "A" lease into compliance with K.A.R. 82-3-136 and/or K.A.R. 82-3-410(a). As such, you have until July 18, 2017 to bring the MOOS "A" lease into compliance. To bring your operations into compliance, you need to file a T-1 with Conservation Division for the MOOS "A" lease. A blank T-1 is enclosed with this letter. The T-1 is also available on the Conservation Division's website, at <http://kcc.ks.gov/conservation/forms/index.htm>, or upon request in the Conservation Division's central office in Wichita or any of the Conservation Division's district offices. If K & N Petroleum, Inc. believes it is still the operator of the MOOS "A" lease, you need to contact Jonelle Rains, the Conservation Division's Supervisor of Environmental Protection and Remediation, immediately to address the situation. Jonelle Rains may be reached at the

Conservations Division's central office in Wichita, at the contact information listed on the bottom of this page.

If by July 18, 2017 the Conservation Division has not received the T-1 requested, or you have not contacted Jonelle Rains and resolved this situation, Staff may refer the matter to the Conservation Division legal staff with a recommendation for an administrative penalty or penalties. Violations of K.A.R. 82-3-136(a) and K.A.R. 82-3-410(a) are punishable by up to a \$1,000 fine for the first violation, \$2,000 for a second, and \$3,000 and operator license review for a third violation. In addition, Staff may ask the Commission to shut in your current operations until compliance is achieved.

Please contact the Conservation Division immediately, or provide the requested information by July 18, 2017, to remedy the above possible violation(s) and avoid further compliance action by the Commission. Please include a copy of this letter with the completed T-1 form upon filing with the Conservation Division.

Sincerely,
Production Department Supervisor

cc: Matt Osborn
Daystar Petroleum, Inc.
522 N. MAIN ST, PO BOX 560
EUREKA KS 67045