KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1374022

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

| WELL | PLUG | GING | APPL | ICATION |
|------|------|------|------|---------|
|------|------|------|------|---------|

| Form KSONA-1, Certifica | ation of Compliance wit MUST be submitte | h the Kansas Surface Owne d with this form. | er Notification Act, | ianks must be i meu | |
|---|---|--|------------------------------|-----------------------|--|
| OPERATOR: License #: | | API No. 15 | | | |
| Name: | If are 1007, supply a | If pre 1967, supply original completion date: | | | |
| Address 1: | Spot Description: | Spot Description: | | | |
| Address 2: | | | Sec Twp S. R | East West | |
| City: State: | | | Feet from North / | South Line of Section | |
| | | | Feet from East / | Nest Line of Section | |
| Contact Person: | | Footages Calculated | from Nearest Outside Section | Corner: | |
| Phone: () | | NE | NW SE SW | | |
| | | | | | |
| | | Lease Name: | Well #: | | |
| Check One: Oil Well Gas Well OG | D&A Ca | athodic Water Supply We | II Other: | | |
| SWD Permit #: | | | as Storage Permit #: | | |
| Conductor Casing Size: | | | J. | | |
| Surface Casing Size: | | | | | |
| Production Casing Size: | | | | | |
| List (ALL) Perforations and Bridge Plug Sets: | | | ····· | | |
| Elevation: (G.L. / K.B.) T.D.: Condition of Well: Good Poor Junk in Hole Proposed Method of Plugging (attach a separate page if addition) Good Good Good | Casing Leak at: | | (Stone Corral Formation |) | |
| Is Well Log attached to this application? | Is ACO-1 filed? | Yes No | | | |
| If ACO-1 not filed, explain why: | | | | | |
| Plugging of this Well will be done in accordance with K.S. Company Representative authorized to supervise plugging o | | | | | |
| Address: | | City: | State: Zip: | + | |
| Phone: () | | | | | |
| Plugging Contractor License #: | | Name: | | | |
| Address 1: | | Address 2: | | | |
| City: | | | State: Zip: | + | |
| Phone: () | | | | | |
| Proposed Date of Plugging (if known): | | | | | |

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Submitted Electronically

| KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION | 1374022 | Form KSONA-1 January 2014 Form Must Be Typed |
|--|--|--|
| CERTIFICATION OF COMPLIANCE WITH | Form must be Signed All blanks must be Filled | |
| KANSAS SURFACE OWNER NOTIFICATIO | | |

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 # | Well Location: | | | |
|--|--|--|--|--|
| Name: | | | | |
| Address 1: | County: | | | |
| Address 2: | Lease Name: Well #: | | | |
| City: Zip: + Contact Person: | If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: | | | |
| Phone: () Fax: () | | | | |
| Email Address: | | | | |
| Surface Owner Information: | | | | |
| Name: | 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. | | | |
| Address 1: | | | | |
| Address 2: | | | | |
| City: State: Zip:+ | | | | |

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.

L Submitted Electronically

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



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

November 27, 2017

Klee Robert Watchous Palomino Petroleum, Inc. 4924 SE 84TH ST NEWTON, KS 67114-8827

Re: Plugging Application API 15-179-21376-00-00 BIXENMAN 1 SW/4 Sec.14-10S-29W Sheridan County, Kansas

Dear Klee Robert Watchous:

The Conservation Division has received your Well Plugging Application (CP-1).

Under K.A.R. 82-3-113(b)(2), you must notify DISTRICT 4 of your proposed plugging plan at least 5 days before plugging the well. DISTRICT 4's phone number is (785) 261-6250. Failure to notify DISTRICT 4, or failure to file a Well Plugging Record (CP-4) after the well is plugged will result in a penalty recommendation.

Under K.A.R. 82-3-600, you must file an Application for Surface Pit (CDP-1) if you wish to use a workover pit while plugging the well. Failure to timely file a CDP-1, failure to timely remove fluids, or failure to timely file Closure of Surface Pit (CDP-4) or Waste Transfer (CDP-5) forms will result in a penalty recommendation.

This receipt does NOT constitute authorization to plug this well if you do not otherwise have the legal right to do so.

This receipt is VOID after May 27, 2018. If the well is not plugged by then, you will have to submit a new CP-1 if you wish to plug the well.

The May 27, 2018 deadline does NOT override any compliance deadline given to you by Legal, District, or other Commission Staff. Failure to comply with any given deadline will still result in the Commission assessing penalties, or taking other legal action.

Sincerely, Production Department Supervisor

cc: DISTRICT 4