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

# Kansas Corporation Commission 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

month day year	Spot Description:
DPERATOR: License#	
lame:	feet from E / W Line of Secti
ddress 1:	Is SECTION: Regular Irregular?
ddress 2:	(Note: Locate well on the Section Plat on reverse side)
ity: State: Zip: +	County:
ontact Person:hone:	Lease Name: Well #:
	Field Name:
ONTRACTOR: License#	Is this a Prorated / Spaced Field?
ame:	Target Formation(s):
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation:feet MS
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
Disposal Wildcat Cable	Public water supply well within one mile:
Seismic ; # of Holes Other	Depth to bottom of fresh water:
Other:	Depth to bottom of usable water:
If OMMAND, and well information as follows:	Surface Pipe by Alternate: III
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe (if any):
Well Name:	Projected Total Depth:
Original Completion Date: Original Total Depth:	Formation at Total Depth:
	Water Source for Drilling Operations:
irectional, Deviated or Horizontal wellbore?  Yes No	Well Farm Pond Other:
Yes, true vertical depth:	DWR Permit #:
ottom Hole Location:  CC DKT #:	(Note: Apply for Permit with DWR )
00 DICT #.	Will Cores be taken?
AF	If Yes, proposed zone:
he undersigned hereby affirms that the drilling, completion and eventual plu	ugging of this well will comply with K.S.A. 55 et. seq.
is agreed that the following minimum requirements will be met:	
	by circulating cement to the top; in all cases surface pipe <b>shall be set</b> e underlying formation.  trict office on plug length and placement is necessary <b>prior to plugging</b> ; ged or production casing is cemented in;
2. A copy of the approved notice of intent to drill shall be posted on each 3. The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into th 4. If the well is dry hole, an agreement between the operator and the dis 5. The appropriate district office will be notified before well is either plugg 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order # must be completed within 30 days of the spud date or the well shall be a submitted Electronically  For KCC Use ONLY  API # 15	by circulating cement to the top; in all cases surface pipe shall be set e underlying formation.  trict office on plug length and placement is necessary prior to plugging; ged or production casing is cemented in; defrom below any usable water to surface within 120 DAYS of spud date. 133,891-C, which applies to the KCC District 3 area, alternate II cementing a plugged. In all cases, NOTIFY district office prior to any cementing.  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);
<ol> <li>A copy of the approved notice of intent to drill shall be posted on each</li> <li>The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into th</li> <li>If the well is dry hole, an agreement between the operator and the dis</li> <li>The appropriate district office will be notified before well is either pluge</li> <li>If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #" must be completed within 30 days of the spud date or the well shall be about the completed within 30 days of the spud date or the well shall be about the complete of the complete of the spud date or the well shall be about the complete of the complete of the complete of the spud date or the well shall be about the complete of the comp</li></ol>	by circulating cement to the top; in all cases surface pipe shall be set e underlying formation.  trict office on plug length and placement is necessary prior to plugging; ged or production casing is cemented in; defrom below any usable water to surface within 120 DAYS of spud date. 133,891-C, which applies to the KCC District 3 area, alternate II cementing a plugged. In all cases, NOTIFY district office prior to any cementing.  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;

Well will not be drilled or Permit Expired Date: \_

Signature of Operator or Agent:

Side Two

For KCC Use ONLY	
API # 15	

#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

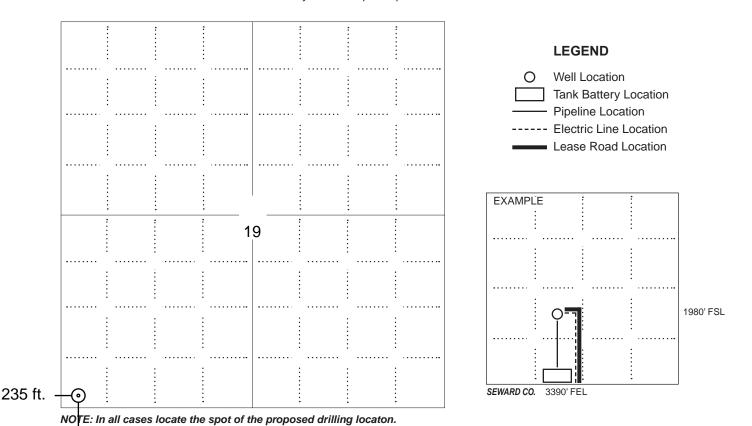
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	SecTwpS. R 🗌 E 🔲 W
Number of Acres attributable to well:	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.



# 170 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 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:	Pit is:		
Emergency Pit Burn Pit	Proposed Existing		SecTwp R
Settling Pit Drilling Pit	Pit Haul-Off Pit		Feet from North / South Line of Section
Workover Pit Haul-Off Pit  (If WP Supply API No. or Year Drilled)			Feet from East / West Line of Section
		(bbls)	County
Is the pit located in a Sensitive Ground Water A	rea? Yes I	No	Chloride concentration: mg/l  (For Emergency Pits and Settling Pits only)
Is the bottom below ground level?  Yes No	Artificial Liner?	lo	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits):	Length (fee	et)	Width (feet) N/A: Steel Pits
Depth fro	om ground level to dee	pest point:	(feet) No Pit
If the pit is lined give a brief description of the li material, thickness and installation procedure.	ilei		dures for periodic maintenance and determining cluding any special monitoring.
Distance to nearest water well within one-mile of pit:		Depth to shallor Source of inforr	west fresh water feet.
feet Depth of water wellfeet		measured	well owner electric log KDWR
Emergency, Settling and Burn Pits ONLY:		Drilling, Worko	ver and Haul-Off Pits ONLY:
Producing Formation:		Type of materia	l utilized in drilling/workover:
Number of producing wells on lease:		Number of work	king pits to be utilized:
Barrels of fluid produced daily:		Abandonment p	procedure:
Does the slope from the tank battery allow all spilled fluids to flow into the pit?   Yes   No		Drill pits must b	e closed within 365 days of spud date.
	-		
Submitted Electronically			
KCC OFFICE USE ONLY  Liner Steel Pit RFAC RFAS			
Date Received: Permit Numl	ber:	Permi	

# Kansas Corporation Commission Oil & Gas Conservation Division

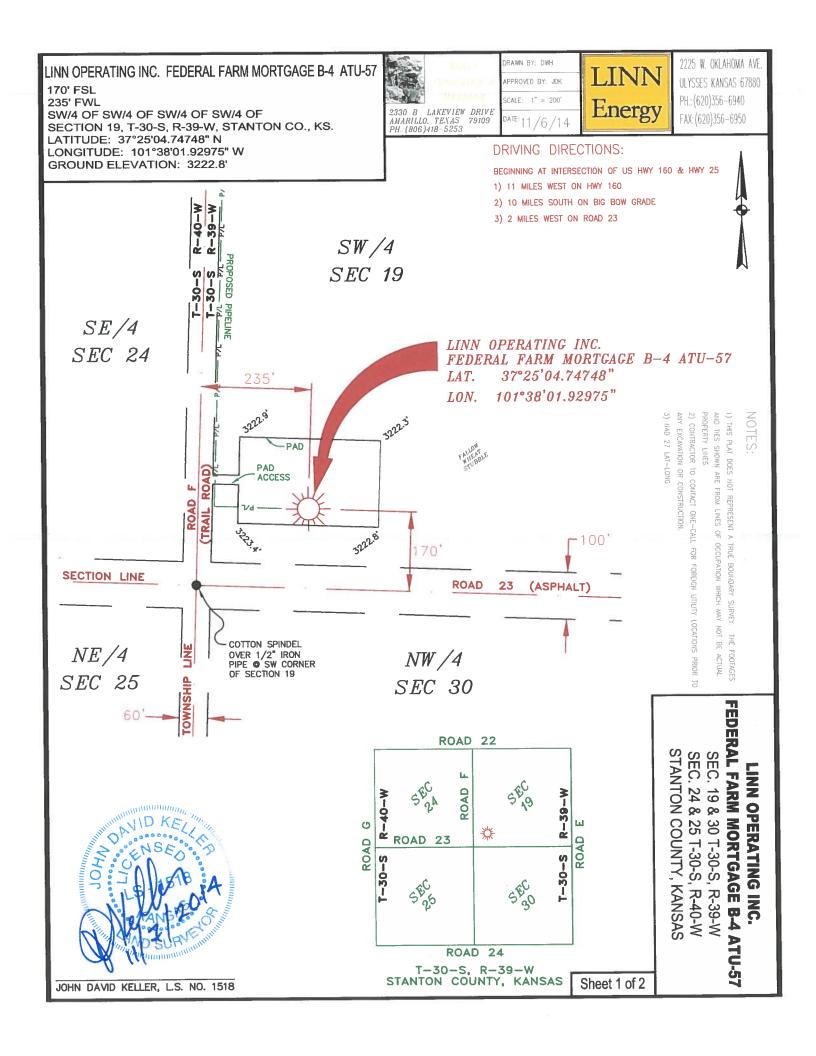
Form KSONA-1
July 2021
Form Must Be Typed
Form must be Signed
All blanks must be Filled

# 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 (C	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)
OPERATOR: License #	Well Location:
Name:	Sec TwpS. R
Address 1:	County:
Address 2:	Lease Name: Well #:
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of
Contact Person:	the lease below:
Phone: ( ) Fax: ( )	
Email Address:	
Surface Owner Information:	
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional
Address 1:	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
Address 2:	county, and in the real estate property tax records of the county treasurer.
City:	
the KCC with a plat showing the predicted locations of lease roads, tank are preliminary non-binding estimates. The locations may be entered or Select one of the following:   I certify that, pursuant to the Kansas Surface Owner Notice provided the following to the surface owner(s) of the land up Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing	dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.  Act (see Chapter 55 of the Kansas Statutes Annotated), I have soon which the subject well is or will be located: 1) a copy of the g in connection with this form; 2) if the form being filed is a Form operator name, address, phone number, fax, and email address.
the KCC will be required to send this information to the surface this task, I acknowledge that I must provide the name and add and that I am being charged a \$30.00 handling fee, payable to a lift 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-  Submitted Electronically	1 will be returned.



LINN OPERATING INC. FEDERAL FARM MORTGAGE B-4 ATU-57

170' FSL 235' FWL

SW/4 OF SW/4 OF SW/4 OF

SECTION 19, T-30-S, R-39-W, STANTON CO., KS.

LATITUDE: 37°25'04.74748" N LONGITUDE: 101°38'01.92975" W **GROUND ELEVATION: 3222.8'** 



2330 B LAKEVIEW DRIVE AMARILLO, TEXAS 79109 PH (806)418-5253

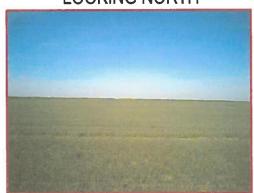
DRAWN BY: DWH APPROVED BY: JDK

DATE: 11/6/14

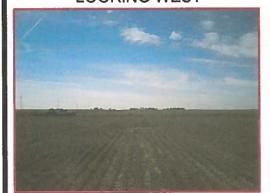
Energy

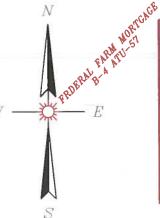
2225 W. OKLAHOMA AVE. ULYSSES KANSAS 67880 PH.: (620)356-6940 FAX: (620)356-6950

# LOOKING NORTH

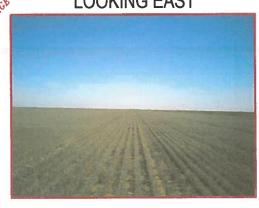


# **LOOKING WEST**





# **LOOKING EAST**





LOOKING SOUTH

LINN OPERATING INC. FEDERAL FARM MORTGAGE

# THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

TOC	
Retore	Commissioners:
DOIDIC	Commissioners.

Shari Feist Albrecht, Chair

Jay Scott Emler Pat Apple

In the Matter of the Application of Linn	)	Docket No. 15-CONS-111-CUNI
Operating, Inc. for an Order Providing for the	)	
Unitization and Unit Operation of a Part of the	)	
Hugoton and Panoma Council Grove Gas Fields	)	CONSERVATION DIVISION
in the Alternate Tract Unit Described as Section	)	
19-30S-39W (SW/4), Section 24-30S-40	)	
(SE/4), Section 25-30S-40W (NE/4), Section	)	License No. 33999
30-30S-39W (NW/4) in Stanton County,	)	
Kansas (ATU 57)	)	

### ORDER GRANTING APPLICATION

The Commission grants the application of Linn Operating, Inc. ("the Operator"), creating this Alternate Tract Unit ("ATU") for the following reasons:

#### I. JURISDICTION

- 1. Commission records indicate the Operator is currently licensed to conduct oil and gas activities in Kansas under K.S.A. 55-155.
- 2. The Operator filed an application on July 25, 2014, requesting unitization of an ATU pursuant to the Basic Integrated Proration Order for the Hugoton Gas Field and the Panoma Council Grove Gas Field, Dockets C-164 and 60,024-C (C-7,058) (the "BIPO"), and pursuant to the Kansas unitization statutes found in K.S.A. 55-1301 through K.S.A. 55-1317.
  - 3. The Commission thus has jurisdiction over the Operator and this matter.

### II. LEGAL STANDARD

4. Paragraph I.1 of the BIPO provides that it shall be lawful for diverse owners of land or minerals, including the Operator or owner of a well, to create production units incorporating the diverse holdings and apportion the production by agreement.

- 5. The BIPO, Paragraph I.2, authorizes the creation of ATU's, referencing the unitization proceedings under K.S.A. 55-1301 et seq. ATU's shall consist of approximately 640 acres consisting of either: (a) two half-sections in two governmental sections or production units directly adjacent and contiguous, forming a "stand-up" north-south oriented rectangle or a "laydown" east-west oriented rectangle; or (b) four quarter-sections in four governmental sections or production units directly adjacent and contiguous, forming an approximate square. The non-contiguous unit-exception provisions of Paragraph G of the BIPO shall not apply to ATU's.
- 6. The BIPO, Paragraph I.2, further provides that ATU wells shall be located as near to the geographic center of the ATU as practicable, but in no case less than 1,250 feet from any ATU boundary. ATU wells shall not be drilled outside of these designated tolerances, and the location-exception provisions of Paragraph H of the BIPO shall not apply to ATU wells.
- 7. The BIPO, Paragraph I.2, further provides that not more than one ATU well may be drilled on each ATU, and the increased density provisions of Paragraph F of the BIPO shall not apply to ATU's. Acreage attributed to one ATU cannot be included in another ATU.
- 8. The BIPO, Paragraph I.3, provides that Chase Group and Council Grove Group production may be commingled in an ATU well.
- 9. The BIPO, Paragraph I.4, provides that all ATU's, in vertical alignment for the drilling and completion of both the Chase Group and the Council Grove Group, shall be comprised of equal acreage situated on the same geographic position. Such vertically aligned units that differ in either acreage size or geographic position, or both, shall be permitted only by an Order of the Commission obtained after notice and hearing.
- 10. The BIPO, Paragraph I.5, provides that before drilling an ATU well, the unit

  Operator shall file with the Conservation Division an affidavit describing the acreage comprising the

  ATU, and a plat showing the acreage comprising the ATU and each Chase and Council Grove well

within the ATU which is producing or has produced. The Commission Staff shall have 30 days to object that the drilling of an ATU well fails to prevent waste, and upon such objection, shall set the matter for hearing and provide notice in accordance with K.A.R. 82-3-135a. If no objection is filed within 30 days, the ATU and the drilling of the well are automatically approved.

- 11. K.S.A. 55-1301 through K.S.A. 55-1317 provide processes for unitizing acreage in Kansas. K.S.A. 55-1301 provides that the Commission shall exercise such powers to prevent waste and protect correlative rights.
- 12. K.S.A. 55-1303 provides detailed requirements for a unit application including a statement of the type of operations, the proposed plans for unitization, the proposed operating plan covering supervision and costs, and an allegation of the facts required to be found by the Commission in K.S.A. 55-1304.
- 13. K.S.A. 55-1304 provides that the Commission must find all three of the following conditions are present before unitizing acreage:
  - a. Under K.S.A. 55-1304(a)(1), the primary production from a pool or a part thereof sought to be unitized has reached a low economic level and, without introduction of artificial energy, abandonment of oil or gas wells is imminent; or under K.S.A. 55-1304(a)(2) the unitized management, operation, and further development of the pool or the part thereof sought to be unitized is economically feasible and reasonably necessary to prevent waste within the reservoir and substantially increase the ultimate recovery of oil or gas;
  - the value of the estimated additional recovery of oil or gas substantially
    exceeds the estimated additional cost incident to conducting such operations;
     and
  - c. the proposed operation is fair and equitable to all interest owners.

14. K.S.A. 55-1305 provides that the order creating the unit shall be upon terms and conditions that are just and reasonable, and it lists detailed requirements that must be included in the order. In addition, K.S.A. 55-1305(l) provides that, for unitization pursuant to K.S.A. 55-1304(a)(2), the plan for unit operations must be approved by the persons who will pay at least 63% of the costs of the unit operation and the owners of at least 75% of the royalty interests. If the required percentages are not obtained at the time the order is issued, the required percentages must be obtained within six months after the order is issued.

#### III. FINDINGS OF FACT

- 15. The proposed ATU description in the application, including the SW/4 of Section 19, NW/4 of Section 30, both in Township 30 South, Range 39 West, SE/4 of Section 24, and the NE/4 of Section 25, both in Township 30 South, Range 40 West in Stanton County, will comprise approximately 640 acres and will form an approximate square, conforming with the ATU size and shape requirements. The proposed location of the well also complies with the BIPO setback requirements.
- 16. The application states that the ATU and well are needed for the effective management, development, and production in the area covered by the BIPO to substantially increase and maximize ultimate gas recovery.
- 17. The application states that the value of the estimated additional recovery of the hydrocarbons from these formations substantially exceeds the estimated additional cost incident to conducting such operations. It further states the proposed operations outlined in the unit agreement and unit operating agreement are fair and equitable to all interest owners.
  - 18. The application includes the unit agreement and unit operating agreement.

- 19. The Operator is applying for unitization under in K.S.A. 55-1304(a)(2); thus the required percentages are 63% of the working interest and 75% of the royalty interest. The application states that 100% of the working interest is owned by the Operator, and Exhibit B-1 to the Unit Agreement indicates greater than 76% of the royalty interest has consented to the formation of the ATU. This exceeds the statutory requirements for unitization.
- 20. The Operator has verified that notice was properly served and published at least 15 days before the issuance of this Order. No protests to the grant of the application were filed.
- 21. The Commission finds that the conditions required by K.S.A. 55-1304 for unitization are present, specifically:
  - a. The unitized management, operation, and further development of the pool or the part thereof sought to be unitized is economically feasible and reasonably necessary to prevent waste within the reservoir and substantially increase the ultimate recovery of oil or gas;
  - the value of the estimated additional recovery of oil or gas substantially
    exceeds the estimated additional cost incident to conducting such operations;
     and
  - c. the proposed unit operation is fair and equitable to all interest owners.
- 22. Incorporation of the application and exhibits, including the Unit Agreement and the Unit Operating Agreement, into this Order will satisfy the requirements of K.S.A. 55-1305.

### IV. CONCLUSIONS OF LAW

- 23. The application was filed in accordance with the rules and regulations of the Commission and Kansas statutes.
  - 24. The application should be granted to prevent waste and protect correlative rights.

### THEREFORE, THE COMMISSION ORDERS:

A. The application to form an ATU pursuant to the BIPO and K.S.A. 55-1301 through 55-1317 is granted.

B. The ATU shall be governed by the terms found in the application and the exhibits, including the Unit Agreement and the Unit Operating Agreement, which are hereby incorporated by reference.

C. Pursuant to K.S.A. 77-537 and K.S.A. 77-542, any party may request a hearing on the above issues by submitting a written request, setting forth the specific grounds upon which relief is sought, to the Commission's Executive Director, at 266 N. Main, Suite 220, Wichita, Kansas 67202, within 15 days from the date of service of this Order. If service is by mail, three days will be added to the Mailed Date listed at the end of this Order. Hearings will be scheduled only upon written request. Failure to timely request a hearing will result in a waiver of the right to a hearing, and this Order will become a Final Order.

- D. Attorneys for all parties shall enter their appearances in Commission proceedings by giving their names and addresses for the record. A corporation or similar entity shall not be permitted to enter an appearance except by its attorney.
- E. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Com.; Apple, Com.

Date: SEP 3 0 2014

Thomas A. Day
Acting Executive Director

Date Mailed:

CERTIFY THE ORIGINAL COPY IS ON FILE WITH Its State Commission Commission

JM

SEP 3 0 2014

## CERTIFICATE OF SERVICE

I hereby certify that on _	10/1	12014	, I caused a true and correct copy of
the foregoing "Order" to be serve	ed by plac	ing the same	in the United States mail, postage
prepaid, to the following parties:			

Stanford J. Smith Jr.
Martin, Pringle, Oliver, Wallace, & Bauer, L.L.P.
100 N. Broadway, Ste 500
Wichita, KS 67202
Attorney for Linn Operating, Inc.

KCC District #1 210 E Frontview Suite A Dodge City, Kansas 67801

and hand delivered to the following:

Jim Hemmen KCC Central Office

John McCannon Litigation Counsel

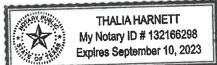
Kansas Corporation Commission

# PLAT & CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

API Number:	Location of well: County Stanton
Operator: Scout Energy Management LLC	170 feet from 🗸 South / 🗌 North line of section
Lease: Federal Farm Mortgage	235feet from East / West line of section
Well Number: B-4 ATU-57	19 Sec. 30 Twp. 39 R.   East   West
Field: Hugoton-Panoma	Is section: 🔽 Regular 🔲 Irregular
Number of acres contained in unit: 640	If section is Irregular, locate well from the nearest corner boundry:
Q/Q/Q/Q of Acreage: SW _ SW _ SW _ SW	Section corner used: NE NW SE SW
(Show the location of the well and shade attributable acreage for prorated or s	paced wells.) (Show the footage to the nearest lease or unit boundary line;
and show footage to the nearest common source supply well.)	
	<u></u>
2406'	
Federal Fain	EXAMPĻE į
Mortage 2-4	
ATU-57	
	10
	3390'
	SEWARD CO.
The undersigned hereby certifies as Senior Regulatory Analyst	(Title) for
Scout Energy Management LLC	
	(Co.), a duly authorized agent, that all information shown hereon
is true and correct to the best of my knowledge and belief, that all acreage claim	
well and does hereby make application for an allowable to be assigned to the we	ell upon filing of this form and the State test, whichever is received last.
O'cont.	Jam & an
Signatur	e: 0/10/10/10
Subscribed and sworn to before me on $\overline{\sum}$ th	is day of
THALIA HARNETT	Bli Dill
My Notary ID # 132166298	Notary Public
My Commission expires: Expires September 10, 2023	•



Muli Harth



Federal Farm Mortgage B-4 ATU-57
640 acres attributed to well
2405' to nearest unit boundary line
2140' to nearest Chase well
3230' to nearest Council Grove well