

For KCC Use:
Effective Date: 9-29-2010
District # 1
SGA? ☐ Yes ☒ 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.

RECEIVED
SEP 22 2010

KCC WICHITA

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

Expected Spud Date: October 10, 2010
month day year

OPERATOR: License# 5225
Name: Quinque Operating Company
Address 1: 908 N.W. 71st St.
Address 2: _____
City: Oklahoma City State: OK Zip: 73116 + _____
Contact Person: Catherine Smith
Phone: (405) 840-9876 ext. 129
CONTRACTOR: License# 33549
Name: Landmark Drilling

Well Drilled For: ☒ Oil ☐ Gas ☐ Enh Rec ☐ Storage ☐ Disposal ☐ Seismic; # of Holes _____
Well Class: ☐ Infield ☐ Pool Ext. ☒ Wildcat ☐ Other _____
Type Equipment: ☒ Mud Rotary ☐ Air Rotary ☐ 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 #: _____

Spot Description: _____
SE - SW - Sec. 33 Twp. 28 S. R. 22 ☐ E ☒ W
(Q1/Q2/Q3) 834 feet from ☐ N / ☒ S Line of Section
1,802 feet from ☐ E / ☒ W Line of Section
Is SECTION: ☒ Regular ☐ Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Ford
Lease Name: Derstein Well #: 1
Field Name: Wildcat
Is this a Prorated / Spaced Field? ☐ Yes ☒ No
Target Formation(s): Morrow, Mississippian
Nearest Lease or unit boundary line (in footage): 834
Ground Surface Elevation: 2466' 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: 200'
Depth to bottom of usable water: 500'
Surface Pipe by Alternate: ☒ I ☐ II
Length of Surface Pipe Planned to be set: 575'
Length of Conductor Pipe (if any): _____
Projected Total Depth: 5500'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations: ☒ Well ☐ Farm Pond ☐ Other: _____
DWR Permit #: 4339
(Note: Apply for Permit with DWR ☒
Will Cores be taken? ☐ Yes ☒ 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 9/21/2010 Signature of Operator or Agent: Catherine Smith Title: Regulatory

For KCC Use ONLY	
API # 15 -	<u>057-20701-00-00</u>
Conductor pipe required	<u>None</u> feet
Minimum surface pipe required	<u>520</u> feet per ALT. ☒ I ☐ II
Approved by:	<u>Russ 9-24-2010</u>
This authorization expires:	<u>9-24-2011</u>
(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: _____

Mail to: KCC - Conservation Division,
130 S. Market - Room 2078, Wichita, Kansas 67202

33
28
22
☐ E ☒ W

For KCC Use ONLY

API # 15 - 057-20701-0000**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: Quinque Operating Company
 Lease: Derstein
 Well Number: 1
 Field: Wildcat
 Number of Acres attributable to well: 160
 QTR/QTR/QTR/QTR of acreage: SE - SW - - -

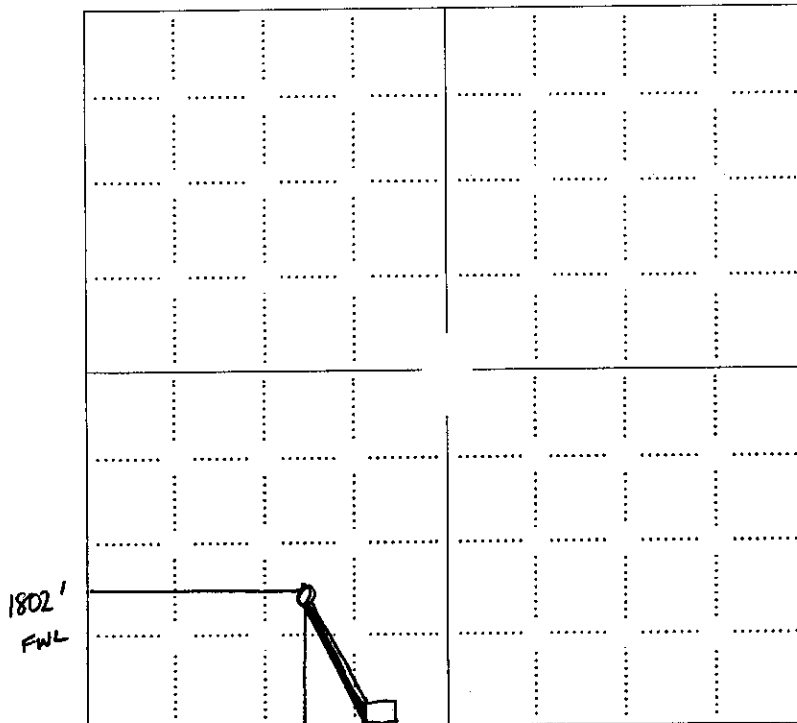
Location of Well: County: Ford
834 feet from ☐ N / ☒ S Line of Section
1,802 feet from ☐ E / ☒ W Line of Section
 Sec. 33 Twp. 28 S. R. 22 ☐ E ☒ W

Is Section: ☒ Regular or ☐ Irregular

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

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

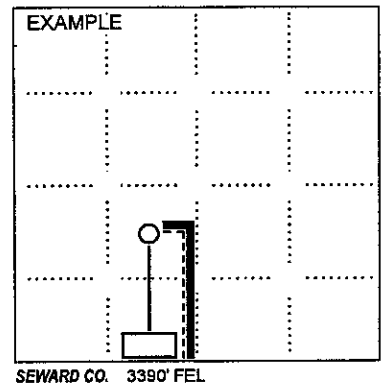
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).
 You may attach a separate plat if desired.

**NOTE: In all cases locate the spot of the proposed drilling location.**

834' FSL

LEGEND

- ☐ Well Location
- ☐ Tank Battery Location
- ☐ Pipeline Location
- ☐ Electric Line Location
- ☐ Lease Road Location

**In plotting the proposed location of the well, you must show:**

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: Quinque Operating Company		License Number: 5225
Operator Address: 908 N.W. 71st St.		Oklahoma City OK 73116
Contact Person: Catherine Smith		Phone Number: (405) 840-9876 ext. 129
Lease Name & Well No.: Derstein 1		Pit Location (QQQQ): SE - SW - - - Sec. 33 Twp. 28 R. 22 ☐ East ☒ West 834 Feet from ☐ North / ☒ South Line of Section 1,802 Feet from ☐ East / ☒ West Line of Section Ford County
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: 9,400 (bbls)	
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? Native Clay
Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) ☐ N/A: Steel Pits Depth from ground level to deepest point: 5 (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. Daily Inspection
Distance to nearest water well within one-mile of pit: est 1800 feet Depth of water well 172 feet		Depth to shallowest fresh water 200 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: Native Clay Number of working pits to be utilized: 1 Abandonment procedure: Dry by evaporation Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
9/21/2010 Date		Catherine Smith Signature of Applicant or Agent

15-057-20701-00-00

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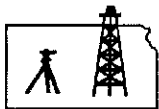
SEP 22 2010

KCC WICHITA

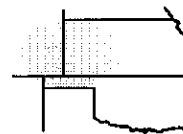
KCC OFFICE USE ONLY			
		☐ Liner	☐ Steel Pit
		☒ RFAC	☒ RFAS
Date Received: 9-22-10	Permit Number: _____	Permit Date: 9-23-10	Lease Inspection: ☒ Yes ☐ No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

15-051-20701-00-00



Pro-Stake LLC
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



n091910-v
 PLAT NO.

8970
 INVOICE NO.

Quinke Operating

OPERATOR

Ford County, KS

COUNTY

33
 Sec.

28s
 Twp.

22w
 Rng.

Derstein #1

LEASE NAME

834' FSL - 1802' FWL

LOCATION SPOT

SCALE: **1" = 1000'**

DATE STAKED: **Sept. 14th, 2010**

MEASURED BY: **Ben R.**

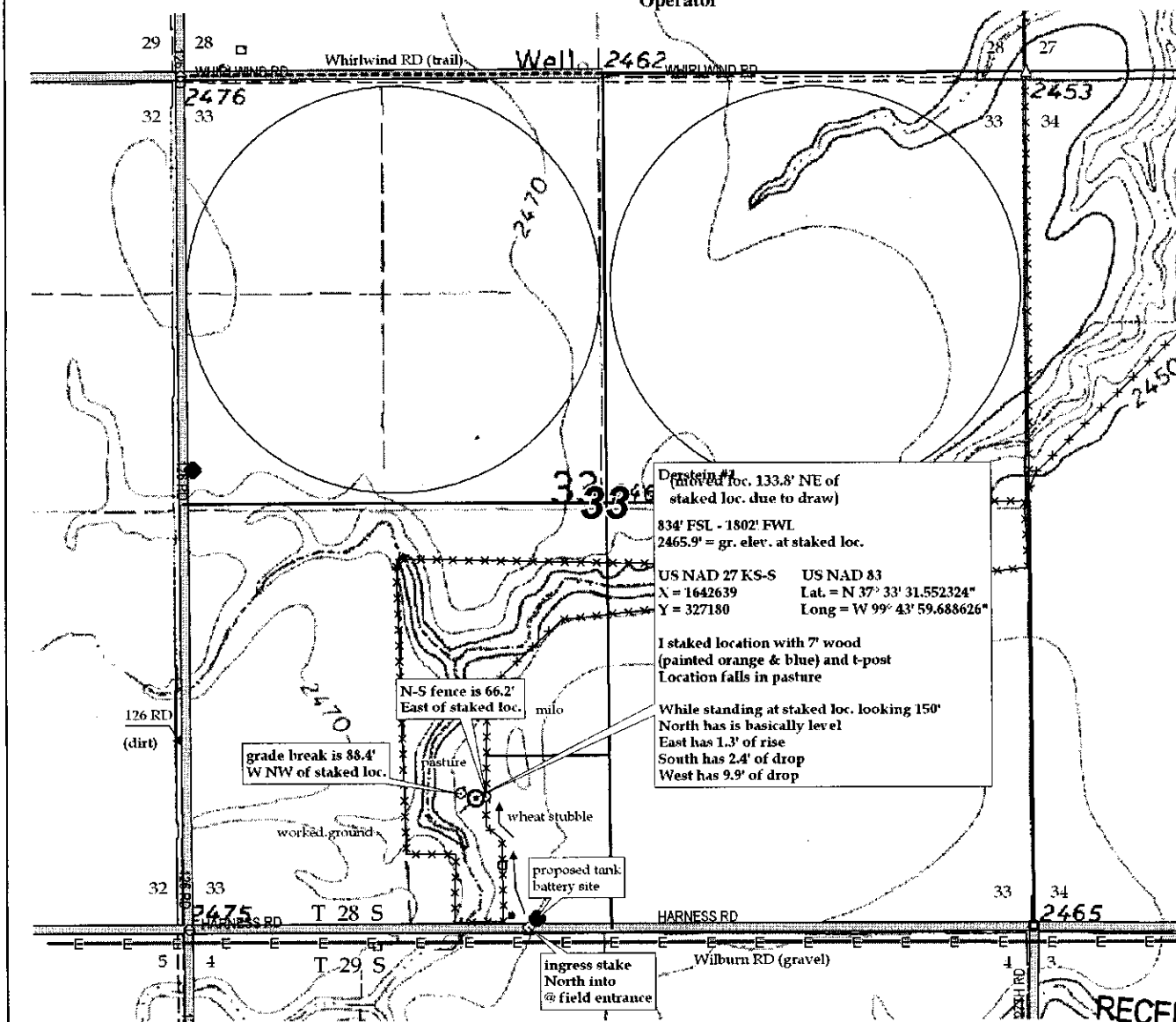
DRAWN BY: **Gabe Q.**

AUTHORIZED BY: **David H.**

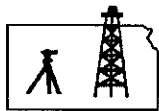
GR. ELEVATION: **2465.9'**

Directions: From the SE side of Kingsdown, Ks at the intersection of Hwy 54 & Kingsdown-Ford RD North - Now go 2.3 miles North on Kingsdown-Ford RD - Now go 1 mile East on Wilburn RD to the SW corner of section 33-28s-22w - Now go 0.4 mile East on Wilburn RD to ingress stake North into @ field entrance - Now go approx. 850' North through wheat stubble - Now go 66' West through pasture into staked location. Final ingress must be verified with land owner or Operator

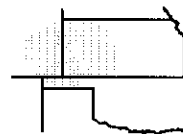
This drawing does not constitute a monumented survey or a land survey plat This drawing is for construction purposes only



15-057-20701-00-00



Pro-Stake LLC
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



n091910-v
 PLAT NO.

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 INVOICE NO.

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OPERATOR

Ford County, KS

COUNTY

33
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Derstein #1

LEASE NAME

834' FSL - 1802' FWL

LOCATION SPOT

SCALE: **1" = 1000'**

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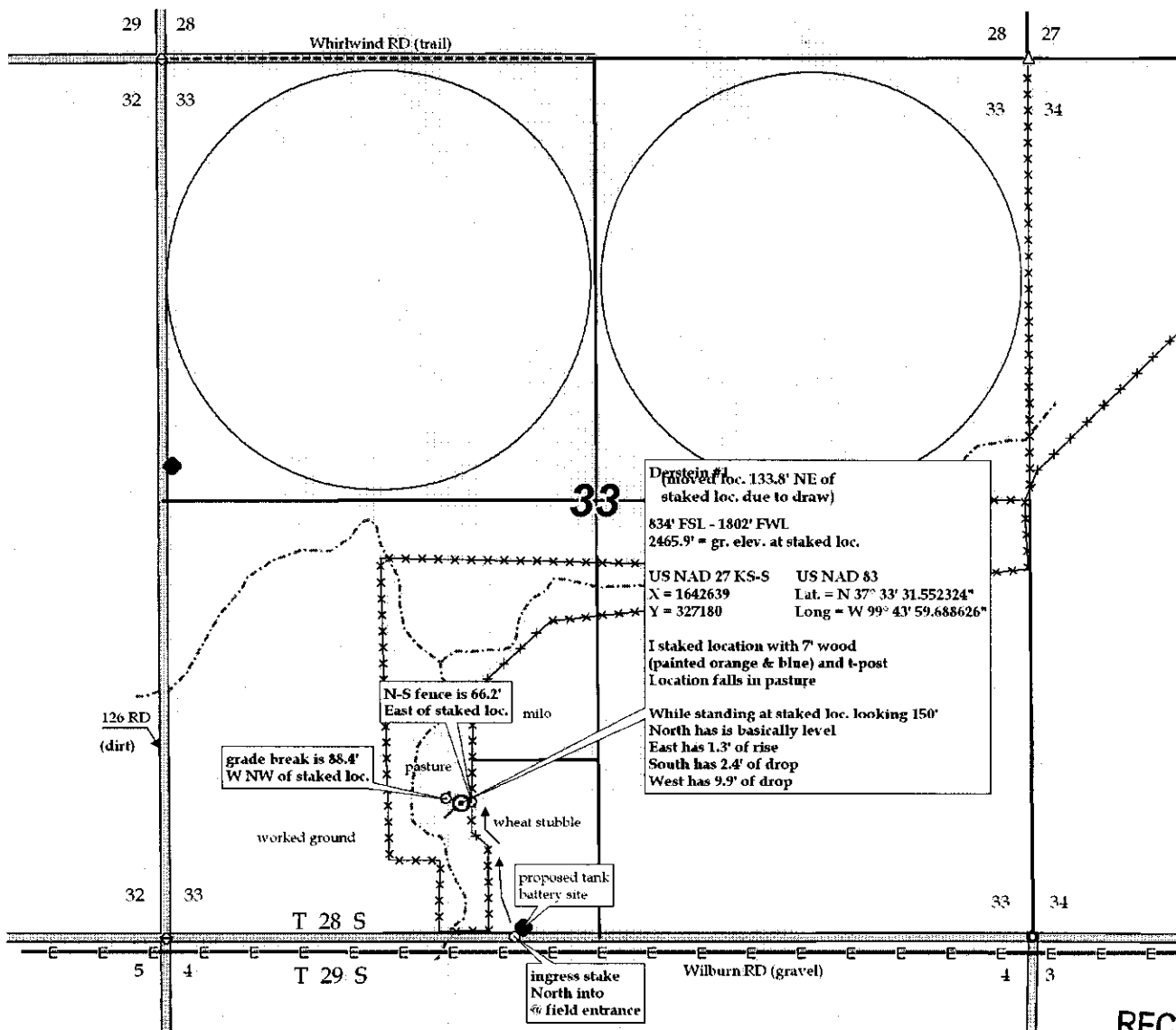
DRAWN BY: **Gabe Q.**

AUTHORIZED BY: **David H.**

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This drawing does not constitute a monumented survey or a land survey plat This drawing is for construction purposes only



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SEP 22 2010

KCC WICHITA



Mark Parkinson, Governor
Thomas E. Wright, Chairman
Joseph F. Harkins, Commissioner
Ward Loyd, Commissioner

September 23, 2010

Quinque Operating Company
908 NW 71st St
Oklahoma City, OK 73116

RE: Drilling Pit Application
Derstein Lease Well No. 1
SW/4 Sec. 33-28S-22W
Ford County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again after drilling operations have ceased. **Keep pits on east side of stake.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

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 undersigned at the above address.

Sincerely,

Kathy Haynes
Department of Environmental Protection and Remediation

cc: File

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

15-057-20701-00-00
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010
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 # 5225
Name: Quinque Operating Company
Address 1: 908 N.W. 71st St.
Address 2: _____
City: Oklahoma City State: OK Zip: 73116 + _____
Contact Person: Catherine Smith
Phone: (405) 840-9876 Fax: (405) 840-2011
Email Address: csmith@huntingtonenergy.com

Well Location:
SE SW Sec. 33 Twp. 28 S. R. 22 ☐ East ☒ West
County: Ford
Lease Name: Derstein Well #: 1

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

Surface Owner Information:

Name: Phillip Derstein
Address 1: P.O. Box 137
Address 2: _____
City: Ford State: KS Zip: 67842 + _____

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 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 hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 9/21/2010 Signature of Operator or Agent: Catherine Smith Title: Regulatory