

For KCC Use: 5-3-2011
Effective Date: _____
District #: 3
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

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.

Expected Spud Date: 05 02 2011
month day year

OPERATOR: License# 34529
Name: Morton Salt Inc
Address 1: PO Box 1547
Address 2: _____
City: Hutchinson State: KS Zip: 67504 + 1547
Contact Person: Ed Willse
Phone: 620-669-6421

CONTRACTOR: License# 982 6427 *per order 4-28-11*
Name: Darting Drilling Rosencratz - Bemis Enterprises Inc.

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Other: Salt Exploration

Well Class: Enh Rec Storage Disposal 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: _____
NW - NE - SW - NW Sec. 14 Twp. 23 S. R. 6 E W
(Q/Q/Q) 1,520 feet from N / S Line of Section
680 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: Reno
Lease Name: None (NA) Well #: E1
Field Name: NA

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Wellington Salt

Nearest Lease or unit boundary line (in footage): 200 ft from Property Line
Ground Surface Elevation: 1525 ft 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: 95' 100'
Depth to bottom of usable water: 95' 100'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 150

Length of Conductor Pipe (if any): None
Projected Total Depth: 850

Formation at Total Depth: Wellington Salt

Water Source for Drilling Operations:
 Well Farm Pond Other: Water and brine from Morton Salt Plant

DWR Permit #: _____
(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: 4/6/11 Signature of Operator or Agent: [Signature] Title: Solution Mining Engineer

For KCC Use ONLY
API # 15 - 155-21570-00-00
Conductor pipe required None feet
Minimum surface pipe required 120 feet per ALT. I II
Approved by: [Signature] 4-28-2011
This authorization expires: 4-28-2012
(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

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KCC WICHITA

14
23
6
 E
 W

For KCC Use ONLY

API # 15 15521570000

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: Morton Salt Inc
 Lease: None
 Well Number: E1
 Field: NA

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: NW - NE - SW - NW

Location of Well: County: Reno
1,520 feet from N / S Line of Section
680 feet from E / W Line of Section
 Sec. 14 Twp. 23 S. R. 6 E W

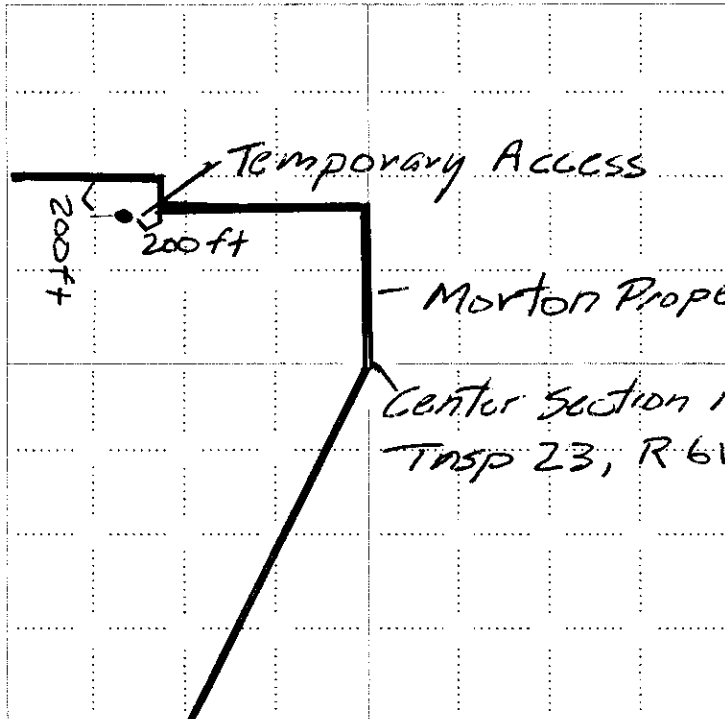
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

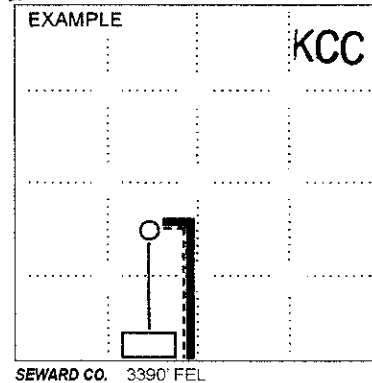
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

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

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

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: (CO-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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 # 34529
Name: Morton Salt Inc
Address 1: PO Box 1547
Address 2: _____
City: Hutchinson State: KS Zip: 67504 + 1547
Contact Person: Ed Willse
Phone: (620) 669-6421 Fax: (620) 669-6487
Email Address: ewillse@mortonsalt.com

Well Location:
NW NE SW NW Sec. 14 Twp. 23 S. R. 6 East West
County: Reno
Lease Name: None Well #: E1

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

Surface Owner Information:

Name: Morton Salt Inc
Address 1: PO Box 1547
Address 2: _____
City: Hutchinson State: KS Zip: 67504 + 1547

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: 4/6/11 Signature of Operator or Agent:  Title: Solution Mining Engineer

MORTON SALT

A K+S Group Company

1515521570-0000

KCC – Conservation Division
130 S Market – Room 2078
Wichita, KS 67202

April 6, 2011

RE: Morton Salt Test Well Application

Attached is a Notice of Intent to Drill, Drill Pit Applications and KSONA-1 forms for a test well that Morton Salt would like to drill. The well will be located on property that Morton Salt owns the surface rights to and is planning to use for brine production wells in the future. The well will be drilled to the bottom of the salt, logged and plugged immediately. The surface hole will be drilled with fresh water mud contained in a plastic lined earth pit. After surface casing is set and cemented, we will drill with saturated salt brine and steel pits will be used for containment. Two pit applications are included, one for the surface hole and one for the steel pits. All salt cuttings and brine will be transported to the Morton Salt Plant where we have the facilities for disposal. Please let me know if there is anything else I can provide



Ed Willse
Solution Mining Engineer

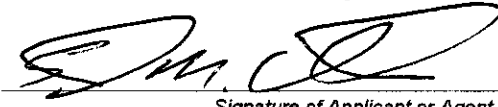
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KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: Morton Salt Inc		License Number: 34529
Operator Address: PO Box 1547		Hutchinson KS 67504
Contact Person: Ed Willse		Phone Number: 620-669-6421
Lease Name & Well No.: None E1		Pit Location (QQQQ): NW NE SW NW
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 100 (bbls)	Sec. 14 Twp. 23 R. 6 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,520 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 680 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Reno County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Plastic Liner
Pit dimensions (all but working pits): 15 Length (feet) 10 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Pit will be dug and plastic layed down. Edges will be weighted down while the pit is filled with fluid. This pit will be used for fresh water mud and cement returns		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Periodic inspection and level checks
Distance to nearest water well within one-mile of pit: 660 feet Depth of water well 40 feet		Depth to shallowest fresh water 12 feet. Source of information: <input checked="" type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh Water Drilling Mud Number of working pits to be utilized: 1 Abandonment procedure: Cuttings and brine removed and transported to Morton Salt where there are facilities to dispose of this material 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.		
<u>4/6/11</u> Date		 Signature of Applicant or Agent

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KCC WICHITA

15-155-215 70-00-00

Bent line Pit Steel Pits

KCC OFFICE USE ONLY			
Date Received: 4-8-11 Permit Number: _____		Permit Date: 4-27-11 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS	

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

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



phone: 316-337-6200
fax: 316-337-6211
<http://kcc.ks.gov/>

Thomas E. Wright, Chairman
Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

April 27, 2011

Morton Salt, Inc.
PO Box 1547
Hutchinson KS 67504

Re: Drilling Pit Application
None Lease Well No. E 1
NW/4 Sec. 14-23S-06W
Reno 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 **all pits must be lined with bentonite**. The free fluids must be removed. The fluids are to be removed from the reserve pit after drilling operations have ceased. Steel pits will be utilized after surface is set.

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 (316) 630-4000 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,

A handwritten signature in cursive script that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: File