

For KCC Use: 4-10-2012  
Effective Date: 2  
District #: \_\_\_\_\_  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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

**CATHODIC PROTECTION BOREHOLE INTENT**

Must be approved by the KCC sixty (60) 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: 2-10-2012  
month day year

OPERATOR: License# 34475  
Name: Transcanada Keystone Pipeline, LP  
Address 1: 717 Texas ST, Ste 24100  
Address 2: \_\_\_\_\_  
City: Houston State: TX Zip: 77002 + \_\_\_\_\_  
Contact Person: Rod Weber  
Phone: 281-900-8168

CONTRACTOR: License# 6427  
Name: Rosencrantz-Bemis Enterprises, Inc  
Type Drilling Equipment:  Mud Rotary  Cable  
 Air Rotary  Other

**Construction Features**

Length of Cathodic Surface (Non-Metallic) Casing  
Planned to be set: 200 feet  
Length of Conductor pipe (if any): \_\_\_\_\_ feet  
Surface casing borehole size: 16 inches  
Cathodic surface casing size: 10 inches  
Cathodic surface casing centralizers set at depths of: 10; 50; 90; 150; 190; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_  
Cathodic surface casing will terminate at:  
 Above surface  Surface Vault  Below Surface Vault  
Pitless casing adaptor will be used:  Yes  No Depth \_\_\_\_\_ feet  
Anode installation depths are: 200; 210; 220; 230; 240; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate District office prior to spudding and again before plugging the well. An agreement between the operator and the District Office on plugs and placement is necessary prior to plugging. In all cases, notify District Office prior to any grouting.
2. Notify appropriate District Office 48 hours prior to workover or re-entry.
3. A copy of the approved notice of intent to drill shall be posted on each drilling rig.
4. The minimum amount of cathodic surface casing as specified below shall be set by grouting to the top when the cathodic surface casing is set.
5. File all required forms: a. File Drill Pit Application (form CDP-1) with Intent to Drill (form CB-1). b. File Certification of Compliance with Kansas Surface Owner Notification Act (form KSONA-1) with Cathodic Protection Borehole Intent (CB-1) c. File Completion Form (ACO-1) within 30 days from spud date. d. Submit plugging report (CP-4) within 30 days after final plugging is completed.

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

Date: 2-01-2012 Signature of Operator or Agent: Rusty [Signature] Title: PROJECT COORDINATOR

Spot Description: 39.98654, -96.6761 MP Steel City  
NW - NW - NW - NW Sec. 8 Twp. 1 S. R. 7  E  W  
(a/a/a/a) 162 feet from  N /  S Line of Section  
95 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?  
(Check directions from nearest outside corner boundaries)

County: Marshall  
Facility Name: MP Steel City  
Borehole Number: 1  
Ground Surface Elevation: 1353 MSL  
Cathodic Borehole Total Depth: 300 feet  
Depth to Bedrock: 10 feet

**Water Information**

Aquifer Penetration:  None  Single  Multiple  
Depth to bottom of fresh water: 100  
Depth to bottom of usable water: 180  
Water well within one-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No  
Water Source for Drilling Operations:  
 Well  Farm Pond  Stream  Other

Water Well Location: \_\_\_\_\_  
DWR Permit # Apply if needed.  
Standard Dimension Ratio (SDR) is = 26 or Less

(Cathodic surface csg. O.D. in inches / MWT in inches = SDR)  
Annular space between borehole and casing will be grouted with:  
 Concrete  Neat Cement  Bentonite Cement  Bentonite Clay  
Anode vent pipe will be set at: 3 feet above surface  
Anode conductor (backfill) material TYPE: SC-3 Coke Breeze  
Depth of BASE of Backfill installation material: 300  
Depth of TOP of Backfill installation material: 3  
Borehole will be Pre-Plugged?  Yes  No

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APR 02 2012

KCC WICHITA

**For KCC Use ONLY**  
API # 15 - 117-20023-0000  
Conductor pipe required None feet  
Minimum Cathodic Surface Casing Required: 200 feet AH3  
Approved by: [Signature] 4-5-2012  
This authorization expires: 4-5-2013  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

If this permit has expired or will not be drilled, check a box below, sign, date and return to the address below.  
 Permit Expired  Well Not Drilled  
Date \_\_\_\_\_ Signature of Operator or Agent \_\_\_\_\_

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APR 02 2012  
KCC WICHITA

For KCC Use ONLY

API # 15 - 117-20023-00-00

IN ALL CASES, PLEASE FULLY COMPLETE THIS SIDE OF THE FORM.

In all cases, please fully complete this side of the form. Include items 1 through 3 at the bottom of this page.

Operator: Transcanada Keystone Pipeline, LP
Facility Name: MP Steel City
Borehole Number: 1

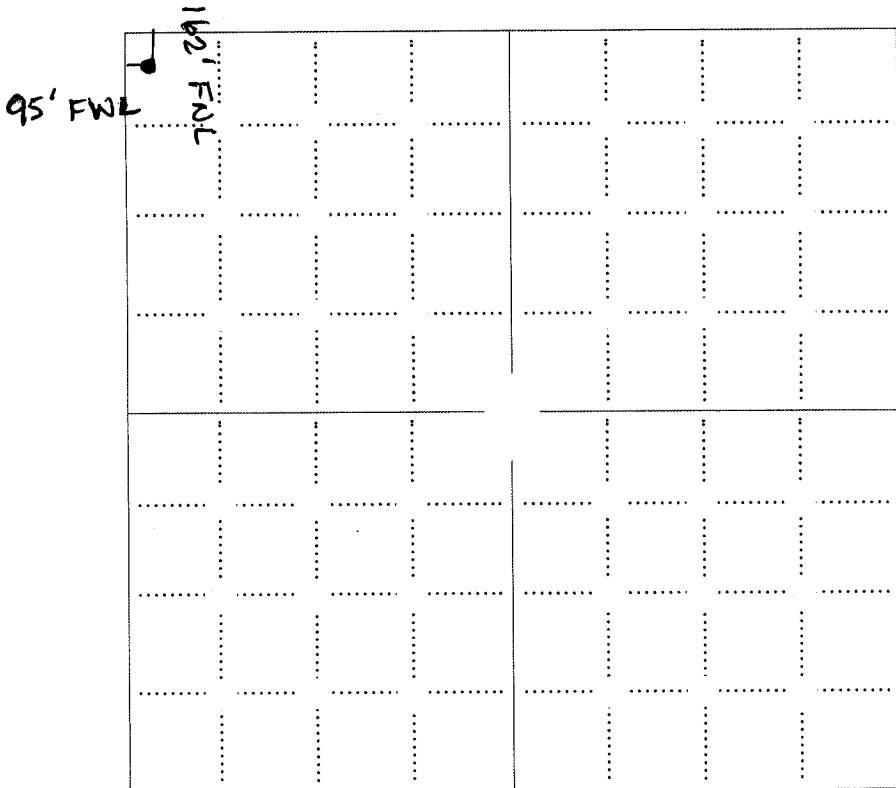
Location of Well: County: Marshall
162 feet from N / S Line of Section
95 feet from E / W Line of Section
Sec. 8 Twp. 1 S. R. 7 E W

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

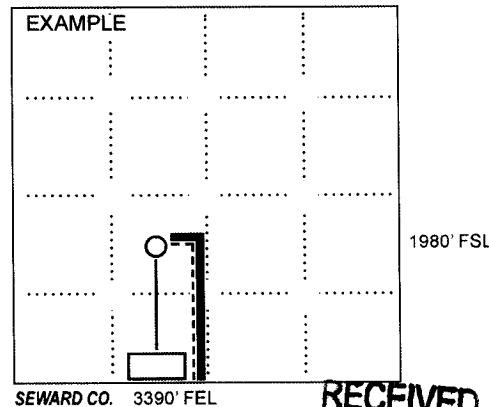
PLAT

Show location of the Cathodic Borehole. 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 (circle)
Tank Battery Location (rectangle)
Pipeline Location (solid line)
Electric Line Location (dashed line)
Lease Road Location (thick solid line)



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 section's south / north and east / west; line.
3. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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KCC WICHITA

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**

15-117-20023-0000

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 # 34475  
Name: Transcanada Keystone Pipeline, LP  
Address 1: 717 Texas ST, Ste 24100  
Address 2: \_\_\_\_\_  
City: Houston State: TX Zip: 77002 + \_\_\_\_\_  
Contact Person: Rod Weber  
Phone: ( 281 ) 900-8168 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: rod\_weber@transcanada.com

Well Location:  
NW NW NW NW Sec. 8 Twp. 1 S. R. 7  East  West  
County: Marshall  
Lease Name: MP Steel City Well #: 1

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

KCC CONSERVATION  
PAID

APR 04 2012

AMT. \$ 30.00

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APR 02 2012

KCC WICHITA

Surface Owner Information:

Name: BILL & ROSA LEE CROW  
Address 1: 831 ARROWHEAD RD  
Address 2: \_\_\_\_\_  
City: MARYSVILLE State: KS Zip: 66508 + \_\_\_\_\_

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.

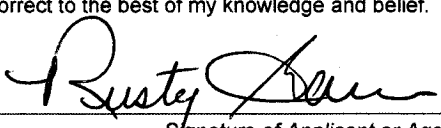
I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 3/29/2012 Signature of Operator or Agent: Charles L Bucy Title: Corrosion Specialist

**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: <b>Transcanada Keystone Pipeline, LP</b>		License Number: <b>34475</b>
Operator Address: <b>717 Texas ST, Ste 24100</b>		<b>Houston TX 77002</b>
Contact Person: <b>Rod Weber</b>		Phone Number: <b>281-900-8168</b>
Lease Name & Well No.: <b>MP Steel City</b>		Pit Location (QQQQ): <b>NW - NW - NW - NW</b> Sec. <b>8</b> Twp. <b>1</b> R. <b>7</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>162</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>95</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Marshall</b> County
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: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) Depth from ground level to deepest point: _____ (feet)		<input checked="" type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> 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.  <b>Empty Daily</b>	
Distance to nearest water well within one-mile of pit: _____ feet    Depth of water well _____ feet	Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Drilling Mud</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Backfill</b>  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.		<b>RECEIVED</b> <b>APR 02 2012</b> <b>KCC WICHITA</b>
2-01-2012 Date	 Signature of Applicant or Agent	

15-117-20023-0000

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>4-2-12</b>	Permit Number: _____	Permit Date: <b>4-5-12</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Liner <input checked="" type="checkbox"/> Steel Pit <input 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/>

Mark Sievers, Chairman  
Ward Loyd, Commissioner  
Thomas E. Wright, Commissioner

Sam Brownback, Governor

April 5, 2012

Transcanada Keystone Pipeline, LP  
717 Texas St. Ste 24100  
Houston, TX 77002

RE: Drilling Pit Application  
MP Steel City  
NW/4 Sec. 08-01S-07E  
Marshall County, Kansas

According to the drilling pit application referenced above, no earthen pits will be used at this location. Steel pits will be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (May 2010), Application for Surface Pit, This location will have to be inspected prior to approval of the haul-off pit application.

Conservation division forms are available through our office and on the KCC web site: [www.kcc.state.ks.us/conservation/forms](http://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 District Office at (316) 630-4000.

# Kansas Corporation Commission Oil & Gas Conservation Division

## HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

### 82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
  - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
  - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
    - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
    - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
    - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
    - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
  - (2) a \$2,500 penalty for the second violation; and
  - (3) a \$5,000 penalty and an operator license review for the third violation.

### **Complete and return with Haul-Off Pit Application, Form CDP1(2004)**

Haul-off pit will be located in an on-site disposal area:  Yes  No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:  
 Yes  No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator:  Yes  No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

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/>

Mark Sievers, Chairman  
Ward Loyd, Commissioner  
Thomas E. Wright, Commissioner

Sam Brownback, Governor

April 5, 2012

Bill & Rosa Lee Crow  
831 Arrow Head Rd  
Marysville, KS 66508

RE: Kansas Surface Owners Notice Act

The 2009 Legislature passed House Bill 2032, known as the Kansas Surface Owners Notice Act. This Act requires the KCC to provide copies of drilling intents, operator transfers, and well plugging applications to the surface owner, if they are not provided by the lease operator. The operator has advised us they have not provided you with a copy of the attached form. Therefore, this letter and the attached form shall serve as notice of the operator's action. You do not need to respond to the KCC. Please contact the operator listed on the form if you have any questions.

Sincerely,

Rick Hestermann  
Production Department

cc: Transcanada Keystone Pipeline LP