

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: 05-29-2012
month day year

OPERATOR: License# 32119 ✓
Name: Northern Natural Gas Company
Address 1: 9480 West HWY 50
Address 2: _____
City: Holcomb State: KS Zip: 67851 + _ _ _
Contact Person: Rick Weatherred
Phone: 402-530-6322

CONTRACTOR: License# 473 *KOHE Water Well, Inc.*
Name: Tyler Water Well, Inc.
Type Drilling Equipment: ☒ Mud Rotary ☐ Cable
☐ Air Rotary ☐ Other

Construction Features

Length of Cathodic Surface (Non-Metallic) Casing
Planned to be set: 40 feet

Length of Conductor pipe (if any): N/A feet

Surface casing borehole size: 16 inches

Cathodic surface casing size: 10 inches

Cathodic surface casing centralizers set at depths of: N/A; _____; _____; _____; _____; _____; _____

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: 120; 130; 140; 150; 160;
170; 180; 190; 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: 5-7-12 Signature of Operator or Agent: James Huber Title: V.P. Operations

For KCC Use ONLY

API # 15 - 055-22152-0000
Conductor pipe required None feet
Minimum Cathodic Surface Casing Required: 20 feet **A43**
Approved by: Russ 5-10-2012
This authorization expires: 5-10-2013
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Spot Description: NE Corner of the NNG Holcomb Plant Yard

NW	NE	NE	NE	Sec. 3	Twp. 24	S. R. 34	E	W
(a/a/a/a)	113						☐	☒
				feet from	☒	N /	☐	S Line of Section
	520			feet from	☒	E /	☐	W Line of Section

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

County: Finney
 Facility Name: 710:1 Holcomb
 Borehole Number: 710:1 Holc-1
 Ground Surface Elevation: 2947 MSL
 Cathodic Borehole Total Depth: 250 feet
 Depth to Bedrock: 400 feet

Water Information

Acquirer Penetration: ☐ None ☒ Single ☐ Multiple
 Depth to bottom of fresh water: 400
 Depth to bottom of usable water: 1000
 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: _____ Public water supply City of Holcomb
 DWR Permit # N/A
 Standard Dimension Ratio (SDR) is = 10.750 / .511 = 21.03
 (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: Carbo 60
 Depth of BASE of Backfill installation material: 250
 Depth of TOP of Backfill installation material: 100
 Borehole will be Pre-Plugged? ☒ Yes ☐ No

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MAY 09 2012

KCC WICHITA

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 _____

For KCC Use ONLY

API # 15 - 055-22152-0000**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: Northern Natural Gas Company
 Facility Name: 710:1 Holcomb
 Borehole Number: 710:1 Holc-1

Location of Well: County: Finney
113 feet from ☒ N / ☐ S Line of Section
520 feet from ☒ E / ☐ W Line of Section
 Sec. 3 Twp. 24 S. R. 34 ☐ E ☒ W

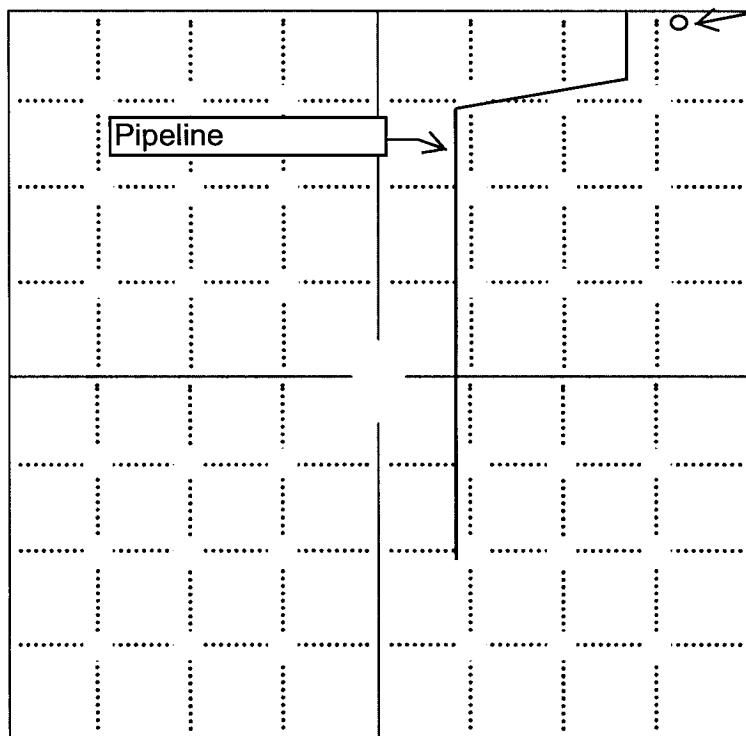
Is Section: ☒ Regular or ☐ Irregular

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

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

PLAT

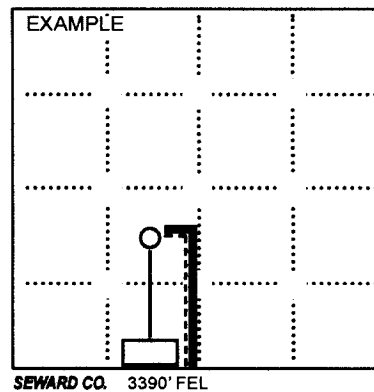
Show location of the Cathodic Borehole. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).
 You may attach a separate plat if desired.



Well Location: 113' FNL &
520' FEL

LEGEND

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



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

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

15055-22152-0000

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.

Form KSONA-1

July 2010

Form Must Be Typed

Form must be Signed

All blanks must be Filled

Select the corresponding form being filed: ☐ C-1 (Intent) ☒ CB-1 (Cathodic Protection Borehole Intent) ☐ T-1 (Transfer) ☐ CP-1 (Plugging Application)

OPERATOR: License # 32119
Name: Northern Natural Gas Company
Address 1: 9480 West HWY 50
Address 2:
City: Holcomb State: KS Zip: 67851
Contact Person: Rick Weatherred
Phone: (402) 530-6322 Fax: (402) 530-6313
Email Address: rick.weatherred@nngco.com

Well Location:
NW NE NE NE Sec. 3 Twp. 24 S. R. 34 ☐ East ☒ West
County: Finney
Lease Name: 710:1 Holcomb Well #: 710:1 Holc-1

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

**KSONA FEE
PAID**

Surface Owner Information:

Name: Northern Natural Gas Company
Address 1: 1111 South 103rd. Street
Address 2:
City: Omaha State: NE Zip: 68124

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: 5-7-12 Signature of Operator or Agent: James Hulse Title: V.P. Operations

RECEIVED

MAY 09 2012

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

May 10, 2012

Northern Natural Gas Company
111 South 103rd Street
Omaha, NE 68124

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

15055-22152-0000

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISIONForm CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Northern Natural Gas Company		License Number: 32119	
Operator Address: 9480 West HWY 50		Holcomb KS 67851	
Contact Person: Rick Weatherred		Phone Number: 402-530-6322	
Lease Name & Well No.: 710:1 Holcomb 710:Holc-1		Pit Location (QQQQ): NW - NE - NE - NE Sec. 3 Twp. 24 R. 34 ☐ East ☒ West 120 ¹¹³ Feet from ☒ North / ☐ South Line of Section 525 ⁵²⁰ Feet from ☒ East / ☐ West Line of Section Finney 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: 96 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☒ No		Chloride concentration: N/A 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? Natural Soils			
Pit dimensions (all but working pits): 15 Length (feet) 6 Width (feet) ☐ N/A: Steel Pits Depth from ground level to deepest point: 6 (feet) ☐ No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. N/A		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. N/A	
Distance to nearest water well within one-mile of pit: 405 feet Depth of water well 377 feet		Depth to shallowest fresh water 162 feet. Source of information: ☐ measured ☐ well owner ☐ electric log ☒ KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: N/A Number of producing wells on lease: N/A Barrels of fluid produced daily: N/A 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: Bentonite Number of working pits to be utilized: 1 Abandonment procedure: Backfill 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>5-7-12</u> Date  Signature of Applicant or Agent RECEIVED MAY 09 2012 KCC WICHITA			

KCC OFFICE USE ONLY

☐ Liner ☐ Steel Pit ☐ RFAC ☐ RFAS

 Date Received: 5-9-12 Permit Number: _____ Permit Date: 5-9-12 Lease Inspection: ☐ Yes ☒ No

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

15055-22152-0000