For KCC Use: 7-24-2012 Effective Date: 7-24-2012 District # 2 SGA? Xres 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: | July | 16 | 2012 | sas Surface Owner Notification Act, MUST be submitted with this Spot Description: Dewney Ranch, Inc. | om. |
|---------------------------------|-----------------------------|-----------------------|----------------------------|--|----------------------------|
| | month | day | year | | |
| | 34178 V | | | W/2 - NW - NE - NW Sec. 29 Twp. 10 S. R | <u> </u> |
| OPERATOR: License#_ | | | | 330 feet from X N / | S Line of Section |
| Name: Donald C. Clar | | | | reet from X E / | W Line of Section |
| Address 1: PO Box 252 | 2 | | | Is SECTION: Regular Irregular? | |
| Address 2: City: Bonner Springs | | | | (Note: Locate well on the Section Plat on revers | e side) |
| Contact Person: Donald | State: K | <u>5 Zip: _6</u> | 6012 + | County: Riley | o diacy |
| Phone: 913.449.5292 | J.C. Clark | | | | Well #: 2 |
| | | | | Field Name: Wildcat | /VGII # |
| CONTRACTOR: License | # 30141 | | | Is this a Prorated / Spaced Field? | Yes XNo |
| Name: Summit Drilling | Company | | | Target Formation(s): Granite | |
| Well Drilled For: | Well Class: | Tvn | e Equipment: | Nearest Lease or unit boundary line (in footage): 330 feet N | North |
| | | | | Ground Surface Elevation: 1006.98 | feet MSL |
| | Rec Infield | | Mud Rotary | Water well within one-quarter mile: | Yes No |
| X Gas ☐ Stor | _ | | Air Rotary | Public water supply well within one mile: | |
| | osal XWildca of Holes Other | '' L | Cable | Depth to bottom of fresh water: 49 feet | Yes No |
| Other: | of Holes Other | | | Depth to bottom of usable water: 120 feet 130' | |
| | | | | Surface Pipe by Alternate: | |
| If OWWO: old we | ll information as follo | ws: | | Length of Surface Pipe Planned to be set: 150+ | |
| Onambass | | | | | |
| Operator: Well Name: | | | | Length of Conductor Pipe (if any): Projected Total Depth: 1500 feet | |
| Original Completion D |)ata: | Original Take | I Danth. | Formation at Total Depth: Granite | |
| Onginal Completion L | /ate | Jiginai tota | Depth | | |
| Directional, Deviated or H | orizontal wellbore? | | Yes X N | Water Source for Drilling Operations: | |
| If Yes, true vertical depth: | | | | | |
| Bottom Hole Location: | | | | DWR Permit #: | / |
| KCC DKT #: | | | | (Note: Apply for Permit with DWR Will Cores be taken? | |
| | | | | | ∐Yes X No |
| | | | | If Yes, proposed zone: | |
| | | | | FFIDAVIT | Dram |
| The undersigned hereby | affirms that the dri | ling, compl | etion and eventual | plugging of this well will comply with K.S.A. 55 et. seq. | RECEIVED |
| It is agreed that the follow | wing minimum requ | irements w | ill be met: | | |
| 1. Notify the appropr | iate district office p | <i>rior</i> to spud | lding of well; | | JUN 2 9 2012 |
| 2. A copy of the appr | roved notice of inter | it to drill sh | all be posted on e | ach drilling rig; set by circulating cement to the top; in all cases surface pipe shall be the underlying formation. | |
| 3. The minimum amo | ount of surface pipe | as specifie | d below shall be s | set by circulating cement to the top; in all cases surface pipe sha | (GG:WICLIT) |
| | | | | | |
| The appropriate d | oie, an agreement b | etween the | operator and the | district office on plug length and placement is necessary <i>prior to</i> ugged or production casing is cemented in; | plugging; |
| 6. If an ALTERNATE | II COMPLETION r | roduction r | nine shall be ceme | ugged or production casing is cemented in; nted from below any usable water to surface within <i>120 DAYS</i> of s | anud data |
| Or pursuant to Ap | pendix "B" - Easterr | ı Kansas sı | urface casing order | #133,891-C, which applies to the KCC District 3 area, alternate I | spud date. Il cementing |
| must be completed | d within 30 days of | the spud da | ite or the well shall | pe plugged. In all cases, NOTIFY district office prior to any ce | menting. |
| | | | , | of my knowledge and belief. | _ |
| | | | // | 110-01 | |
| Date: June 29, 2012 | Signature of | Operator or | r Agent: <i>NO</i> | Title: Operator | |
| | | | | Remember to: | |
| For KCC Use ONLY | 20079 | 1-00- | $\mathcal{D}(\mathcal{O})$ | - File Certification of Compliance with the Kansas Surface Own | er Notification |
| API # 15 - / 6/~ | -20079 | -00 | | Act (KSONA-1) with Intent to Drill; | er Notification |
| Conductor pipe required | None | e se | eet | - File Drill Pit Application (form CDP-1) with Intent to Drill; | |
| , | سسم ا | | | - File Completion Form ACO-1 within 120 days of spud date; | _ |
| Minimum surface pipe re | 70 | | per ALT. | - File acreage attribution plat according to field proration orders | |
| Approved by: | | | | Notify appropriate district office 48 hours prior to workover or it. | |
| This authorization expire | · | 2013 | | - Submit plugging report (CP-4) after plugging is completed (wit | |
| (This authorization void if o | trilling not started with | in 12 months | of approval date.) | - Obtain written approval before disposing or injecting salt wate | |
| <u> </u> | | | | If well will not be drilled or permit has expired (See: authorized please check the box below and return to the address below. | expiration date) |
| Spud date: | Agent: | | | | |
| | | | | Well will not be drilled or Permit Expired Date: | ——— |
| | : KCC - Conservat | | | Signature of Operator or Agent: | ₹ |
| 130 S. Market | - Room 2078, Wic | hita, Kansa | as 67202 | | |

For KCC Use ONLY API # 15 - 16 1-20079-00-00

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.

| rator: Donald C. Clark, dba CFA Oil Co. | Location of Well: County: Riley |
|---|---|
| Downey Ranch, Inc. | |
| Number: 2 | 3,852 feet from X E / W Line of Section |
| Wildcat | Sec. 29 Twp. 10 S. R. 9 X E W |
| ber of Acres attributable to well: 10 | to Southern Manual Division |
| /QTR/QTR/QTR of acreage: W/2 - NW - NE - NW | Is Section: Regular or Irregular |
| | If Section is irregular, locate well from nearest corner boundary. |
| | Section corner used: NE NW SE SW |
| | |
| | DLAT |
| Show location of the well. Show footage to the near | PLAT est 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). |
| | a separate plat if desired. |
| < K High WAY 18 > You may attach ! | |
| | <u>:</u> : |
| <u>o</u> , : : : : : : : : : : : : : : : : : : : | LEGEND |
| | : |
| | O Well Location |
| | Tank Battery Location |
| | Pipeline Location |
| | Electric Line Location |
| | Lease Road Location |
| ********* | · |
| | |
| | |
| | FXAMPI'E : : |
| | EXAMPLE |
| | EXAMPLE 1980' FSL |
| | |
| | |
| | |
| | |
| | |

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 CC WICHITA 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;
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

15-161-20079-0000

Page 1 of 1

Staking For: CFA Oil Company

Riley County Kansas Sec. 29, T10S, R9E

Downy Lease Line.

Drive Entrance Zeandale HWY 18 (Public, Paved) 1212 105, 80E

Operator: CFA Oil Company Topography & Vegetation: Crop Harvested, field is flat with very slight drop to the West.

Well No: Downy #2 Elevation of Ground at Stake: 1006.98' (NAVD88)

Coordinates staked out for proposed well. Datum: North American (NAD83)

State Plane Coordinates: Kansas North Zone (NAD27)

North: 304,390.15 East: 2,442,378.87 Well staked with 4' lath and flagged. 330'± FNL (of NW 1/4 of Sec. 29) 1210'± FEL (of NW 1/4 of Sec. 29)

* = Distances shown are approximate and based upon calculated distances and located improvements but have not been verified by a boundary survey.

| State of Kansas |) |
|-----------------|-----------|
| County of Riley |) ss) |

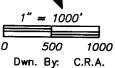
I, Chad R. Abbott, L.S. #1340 do hereby certify that this is a true representation of an Oil Well Location Survey performed by me or under my direct supervision and that I am a duly licensed Land Surveyor in the State of Kansas.

Date of Survey: June 15, 2012. Date of Preparation: June 21, 2012

RECEIVED

Chad R. Abbott L.S. #1340

RCC 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 15761-20079-00-00

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 # 34178 Name: Donald C. Clark, dba CFA Oil Co. | Lease Name: Downey Ranch, Inc. Well #: 2 If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: | | |
| | | | |
| | | | |
| Address 2: | | | |
| Contact Person: | | | |
| Phone: () Fax: () | | | |
| Email Address: | | | |
| Surface Owner Information: Name: Downey Ranch, Inc. Address 1: 38703 Wabaunsee Rd. Address 2: | 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. | | |
| the Kee war a plat showing the predicted locations of lease roads. Tank | dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. | | |
| Select one of the following: | , | | |
| form; and 3) my operator name, address, phone number, fax, at | pocated: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form being filed is a Form C-1 or Form CB-1, the plat(s) required by this and email address. | | |
| I have not provided this information to the surface owner(s). I ackCC will be required to send this information to the surface ow task, I acknowledge that I am being charged a \$30.00 handling | cknowledge that, because I have not provided this information, the ner(s). To mitigate the additional cost of the KCC performing this fee, payable to the KCC, which is enclosed with this form. | | |
| If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 | fee with this form. If the fee is not received with this form, the KSONA-1 | | |
| | RECEIVED | | |
| hereby certify that the statements made herein are true and correct to | the best of my knowledge and belief. JUN 2 9 2012 | | |
| Date: June 29, 2012 Signature of Operator or Agent: Associated | Contribution Operator KCC WICHITA | | |

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: Donald C. Clark, o | lba CFA Oil C | License Number: 34178 | | | | |
|---|----------------------------|--|--|--|--|--|
| Operator Address: PO Box 252 | | Bonner Springs KS 66012 | | | | |
| Contact Person: Donald C. Clark | | Phone Number: 913.449.5292 | | | | |
| Lease Name & Well No.: Downey Rar | ich, Inc. 2 | Pit Location (QQQQ): | | | | |
| Type of Pit: Pit is: | | | W/2 _ NW _ NE _ NW | | | |
| Emergency Pit Burn Pit | X Proposed | Existing | Sec. 29 Twp. 10 R. 9 X East West | | | |
| Settling Pit X Drilling Pit | If Existing, date co | enstructed: | 330 Feet from X North / South Line of Section | | | |
| Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) | Pit capacity: | | 3,882 Feet from X East / West Line of Section | | | |
| Reserve Pit Steel Tanks for Drilling | (bbls) | | Riley | | | |
| Is the pit located in a Sensitive Ground Water A | rea? X Yes | Chloride concentration:mg/l (For Emergency Pits and Settling Pits only) | | | | |
| Is the bottom below ground level? X Yes No | Artificial Liner? X Yes N | | How is the pit lined if a plastic liner is not used? Bentonite | | | |
| Pit dimensions (all but working pits): |) Length (fe | et) 10 | Width (feet) N/A: Steel Pits | | | |
| Depth fro | m ground level to dea | epest point: | 6 (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. | | | | | | |
| Bentonite liner pit will be for reserve water | | | | | | |
| Distance to nearest water well within one-mile or | f pit: | Depth to shallow Source of inform | west fresh water 48 feet. | | | |
| None feet Depth of water well | feet | measured | ■ Well owner electric log KDWR | | | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Worko | ver and Haul-Off Pits ONLY: | | | |
| Producing Formation: | | Type of material | utilized in drilling/workover: Steel Tanks for Drilling | | | |
| Number of producing wells on lease: | | Number of work | ing pits to be utilized: 2 Evaporate & Haul Off | | | |
| Barrels of fluid produced daily: Does the slope from the tank battery allow all sp | illed fluide to | Abandonment p | rocedure: | | | |
| flow into the pit? Yes No | med lidids to | Drill pits must be closed within 365 days of spud date. RECEIVED | | | | |
| I hereby certify that the above statements are true and correct to the best of my knowledge and belief. | | | | | | |
| JUN 2 9 2012 Continue of Applicant or Agent Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and belief. JUN 2 9 2012 Continue and correct to the best of my knowledge and correct to the best of my | | | | | | |
| KCC OFFICE USE ONLY Liner Steel Pit KRFAC RFAS | | | | | | |
| Liner Steel Pit ☐ RFAS Date Received: 6-39-12 Permit Number: Permit Date: 7-19-12 Lease Inspection: ☐ No | | | | | | |

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/

Sam Brownback, Governor

Mark Sievers, Chairman Thomas E. Wright, Commissioner

July 19, 2012

Donald C. Clark dba CFA Oil Company PO Box 252 Bonner Springs, KS 66012

Re: Drilling Pit Application

Downey Ranch, Inc. Lease Well No. 2

NW/4 Sec. 29-10S-09W Riley County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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 within 96 hours after drilling operations have ceased.

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,

Katty Haynes
Kathy Haynes

Environmental Protection and Remediation Department

cc: File