

For KCC Use: 7-3-2012
Effective Date: _____
District #: _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Corrected

Form C-1
March 2010
Form must be Typed
Form must be Signed
Blanks must be Filled

NOTICE OF INTENT TO DRILL **CORRECTED**

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: 7/13/2012
month day year

OPERATOR: License# 32331
Name: DK Operating, Inc.
Address 1: 24583 NW 208Rd
Address 2: _____
City: Jetmore State: KS Zip: 67854 + 5311
Contact Person: Daniel L. King
Phone: (620) 357-6152

CONTRACTOR: License# 31548
Name: Discovery Drilling Co., Inc.

Spot Description: 30North & 1/4 East of
NW - SE - SE Sec. 24 Twp. 23 S. R. 23 E W
(0000) 1,020 feet from N / S Line of Section
850 feet from E / W Line of Section

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

Lease Name: Sharon Well #: 1-9
Field Name: Widocar Lippoldt

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

Nearest Lease or unit boundary line (in footage): 850
Ground Surface Elevation: 2368 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: 180
Depth to bottom of usable water: 600 620

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 220

Length of Conductor Pipe (if any): 0
Projected Total Depth: 4600

Formation at Total Depth: Mississippian

Water Source for Drilling Operations: Well Farm Pond Other: _____
DWR Permit #: _____

Will Cores be taken? Yes No
If Yes, proposed zone: _____

Well Drilled For: Oil Gas
Enh Rec Storage Disposal
Seismic: _____ # of Holes
Other: _____
 If OWWO: old well information as follows:

Well Class: Infield Pool Ext. Widocar Other

Type Equipment: Mud Rotary Air Rotary Cable

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 #: _____

WAS: Well # 1-9
IS: Well # 1-24

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: 6/25/2012 Signature of Operator or Agent: _____ Title: Agent

For KCC Use ONLY
API # 15 - 083-21809-00-00
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. I II
Approved by: Kevin L 6-28-2012 / KML 8-20-2012
This authorization expires: 6-28-2013
(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, KS

67202

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JUN 27 2012

KCC WICHITA

24
23
23
 E W

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API # 15 - 08321809-0000

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CORRECTED

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: DK Operating, Inc.

Lease: Sharon

Well Number: 1-8 1-24

Field: Wildcat

Number of Acres attributable to well:

QTR/QTR/QTR/QTR of acreage: - NW - SE - SE

Location of Well: County: Hodgeman

1,020 feet from N / S Line of Section

850 feet from E / W Line of Section

Sec. 24 Twp. 23 S. R. 23 E W

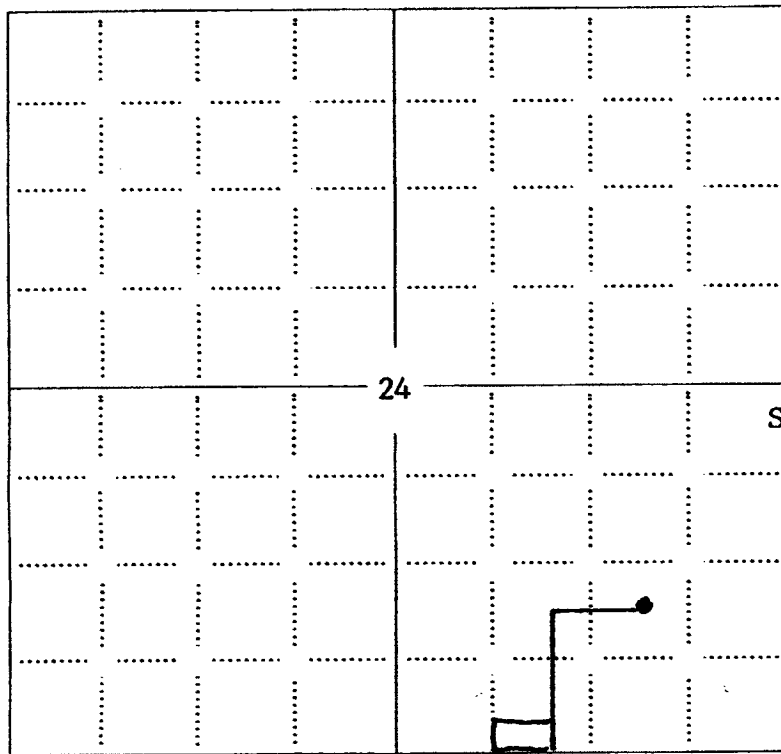
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

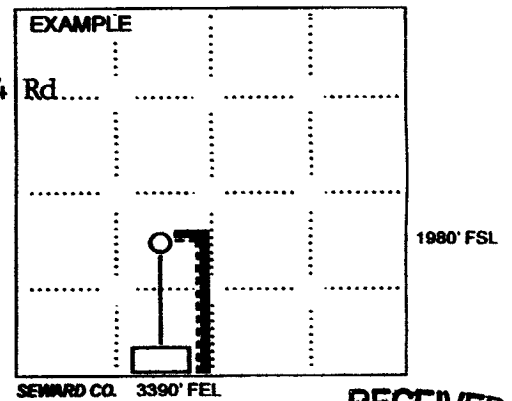
PLAT

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



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

Hodgeman Co., KS

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: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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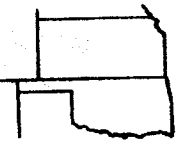
Corrected

15-083-21809-0000



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

CORRECTED
9989
INVOICE NO.



b041812q
PLAT NO.

Sharon #1-9 1-24
LEASE NAME

DK Operating, Inc.
OPERATOR
Hodgeman County, KS
COUNTY

24 **23s** **23w**
Sec. Twp. Rng.

1020' FSL - 850' FEL
LOCATION SPOT

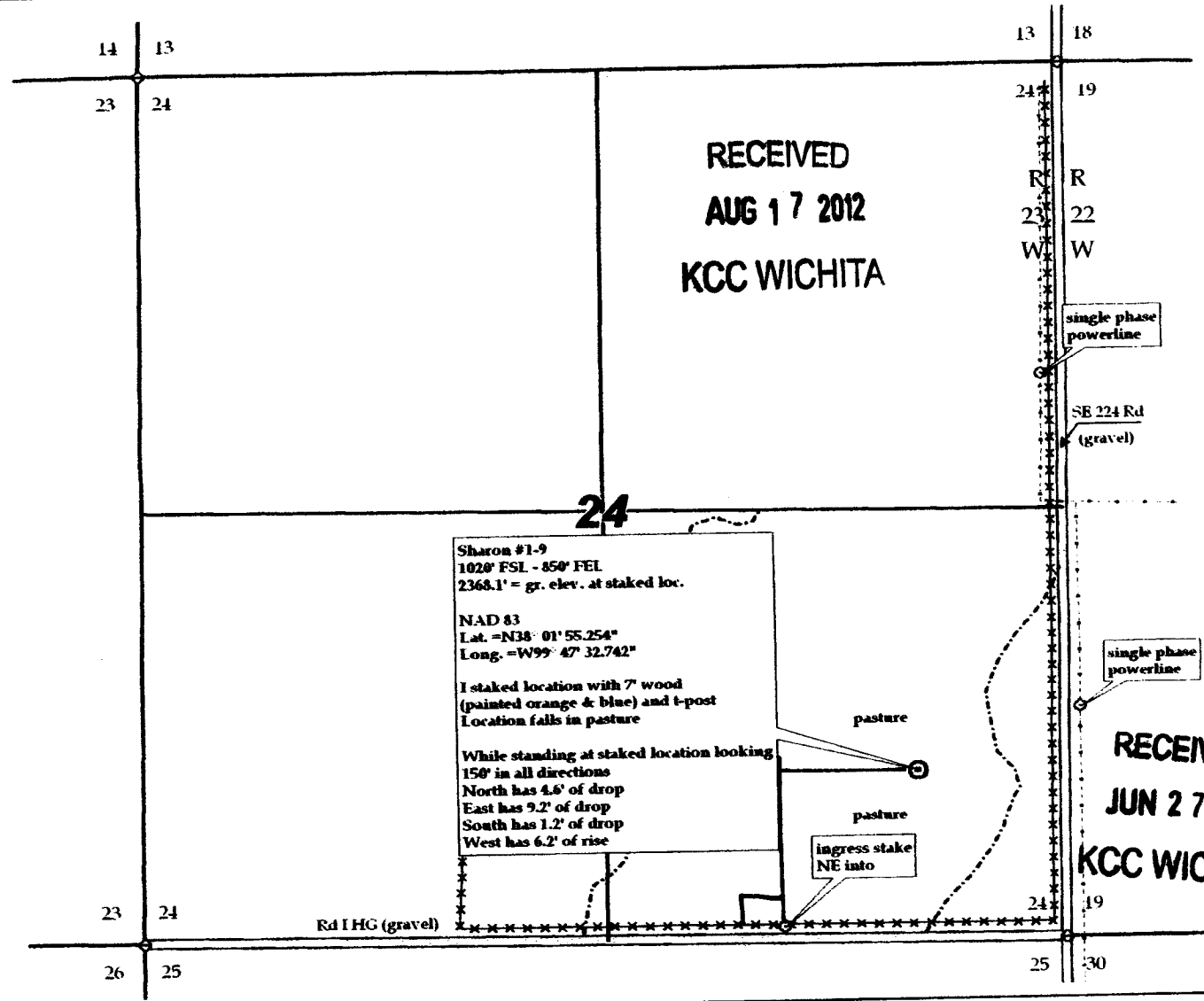
SCALE: **1" = 1000'**
DATE STAKED: **April 17th, 2012**
MEASURED BY: **Ben R.**
DRAWN BY: **Luke R.**
AUTHORIZED BY: **Danny K.**



GR. ELEVATION: **2368.1'**

Directions: From the North side of Jetmore, Ks at the intersection of Hwy 156 & Hwy 283 - Now go 5.8 miles East on Hwy 156 - Now go 4.4 miles South on 224 Rd to the SE corner of section 24-23s-23w - Now go 0.3 mile West on Rd 1 HG to ingress stake NE into - Now go approx. 1300' NE 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.



KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Corrected

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**

15-083-21809-0000

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.

CORRECTED

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

OPERATOR: License # 32331
Name: DK Operating, Inc.
Address 1: 24583 NW 208Rd
Address 2:
City: Jetmore State: KS Zip: 67854 + 5311
Contact Person: Daniel L. King
Phone: (629) 357-6152 Fax: ()
Email Address: racerbrown88@gmail.com

Well Location:
NW SE SE Sec. 24 Twp. 23 S. R. 23 East West
County: Hodgeman
Lease Name: Sharon Well #: 15-1-24

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

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Surface Owner Information:
Name: Sharon Smith
Address 1: 1920 Thompson Avenue
Address 2:
City: Dodge City State: KS Zip: 67801 +

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.

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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: 6/25/2012 Signature of Operator or Agent: [Signature] Title: Agent

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JUN 27 2012

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OIL & GAS CONSERVATION DIVISION

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Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

CORRECTED

Operator Name: DK Operating, Inc.		License Number: 32331	
Operator Address: 24583 NW 208Rd		Jetmore KS 67854	
Contact Person: Daniel L. King		Phone Number: (620) 357-6152	
Lease Name & Well No.: Sharon <i>19 1-24</i>		Pit Location (QQQQ): _____ - <u>NW</u> - <u>SE</u> - <u>SE</u> Sec. <u>24</u> Twp. <u>23</u> R. <u>23</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,020</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>850</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Hodgeman</u> 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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>3,000</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input 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? Sealed with clay soil, native and fresh mud.			
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: <u>5</u> (feet) <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.	
		RECEIVED AUG 17 2012 KCC WICHITA	
Distance to nearest water well within one-mile of pit: <u>3550</u> feet Depth of water well <u>143</u> feet		Depth to shallowest fresh water <u>99</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> DWR	
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: <u>Fresh Mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Allow liquid contents to evaporate, let cuttings dry and backfill.</u> 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.			
Date: <u>6/25/2012</u> Date		Signature of Applicant or Agent: <i>[Signature]</i>	

15-083-21809-0500

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KCC OFFICE USE ONLY			
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS	
Date Received: <u>6-27-12</u>	Permit Number: _____	Permit Date: <u>6-27-12</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No