



ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Office of Oil and Gas Resource Management
One Natural Resources Way Springfield, Illinois 62702-1271



**HIGH VOLUME HORIZONTAL HYDRAULIC FRACTURING
PERMIT APPLICATION HVHFF-10**

References to "1-xx" or "§1-xx" are to the Hydraulic Fracturing Regulatory Act., 225 ILCS 732/1-1 et seq. References to "240.xxx" and "245.xxx" are to 62 Ill. Admin. Code 240 and 245, respectively.

Attachment: BondMunicipalConsentRegistration

Please save attachment and use the file name above.

(1) Bond §1-65; 245.210(f), 245.220.

Please provide proof of bond as required by 245.220(b) and/or (c)

(2) Municipal Consent 245.210(c).

Will the well site be located within the limits of any city, village, or incorporated town YES NO
If "Yes," what city, village, or incorporated town? _____

If "Yes," attach a certified copy of the official consent for the high volume horizontal hydraulic fracturing operations to occur from the municipal authorities where the well site is proposed to be located.

(3) Registration Update 245.210(b)(1).

Do you certify that the applicant registration information previously provided to the Department pursuant to Section 245.200 is accurate and up to date? YES NO initial: _____

(4) Additional Information §1-53(a)(4); 245.300(c)(4).

Attach any other information you wish the Department to consider that will demonstrate you're your operations will be conducted in a manner that will protect the public health, public safety, property, wildlife, aquatic life and environment, and will prevent pollution or diminution of any water source.

ATTESTATION § 1-35(f) ; 245.210(h).

I, Scott Fraizer, affirm that I am the applicant or the applicant's designee who has been vested with the authority to act on behalf of the applicant, and that I have direct knowledge of the information contained in the application and its attachments. I certify, under penalty of perjury as provided by law and under penalty of refusal, suspension, or revocation of a high volume horizontal hydraulic fracturing permit, that this application and all attachments are true, accurate, and complete to the best of my knowledge.

SIGNATURE: _____



DATE: _____

June 22, 2017

Title

MANAGER



Office of Oil and Gas Resource Management
 One Natural Resources Way
 Springfield, IL 62702-1271
 (217) 782-7756

**FINANCIAL SECURITY
 INSTRUMENT (BOND)
 CERTIFICATE OF DEPOSIT**

HIGH VOLUME HORIZONTAL HYDRAULIC FRACTURING

CERTIFICATE # PERMITTEE # 4658

Woolsey Operating Company, LLC, of 125 North Market St., Suite 1000, Wichita, KS 67202
(Permittee) (Permanent Address) (City) (Zip)
 (316) 267-4379 County of Sedgwick, State of Kansas.
(Telephone)

IS HELD AND FIRMLY BOUND UNTO THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT IN THE PENAL SUM OF Fifty Thousand DOLLARS (\$50,000.00), TO THE PAYMENT WHEREOF THE PERMITTEE, AND THE PERMITTEE'S HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS AND ASSIGNS, ARE JOINTLY AND SEVERALLY BOUND. THIS OBLIGATION IS SECURED BY THE CERTIFICATE OF DEPOSIT, AS IDENTIFIED ABOVE, DRAWN ON A FEDERALLY-INSURED BANK, MADE PAYABLE OR ASSIGNED TO THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, AND PLACED IN ITS POSSESSION. WHICH SAID SUM SHALL BE HELD, APPLIED, AND RETURNED TO THE PERMITTEE UNDER THE CONDITIONS AND FOR THE PURPOSES HEREINAFTER SET FORTH.

WHEREAS, THE PERMITTEE HAS APPLIED, OR INTENDS TO APPLY, TO THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT FOR A PERMIT TO PERFORM A HIGH VOLUME HORIZONTAL HYDRAULIC FRACTURING ACCORDING TO THE ILLINOIS HYDRAULIC FRACTURING REGULATORY ACT, 225 ILCS 732/1 ET SEQ..

THIS BOND IS FOR: (CHOOSE ONE)

- A BLANKET BOND FOR ALL WELLS USING HIGH VOLUME HORIZONTAL FRACTURING; OR
- AN INDIVIDUAL BOND FOR THE WELL LISTED BELOW.

ONLY COMPLETE IF BOND IS FOR INDIVIDUAL WELL OR PERMIT

WELL TO BE KNOWN AS: <u>Woodrow 1H-310408-193</u>		REFERENCE #: <u> </u>
HVHFF # <u>000001</u>		
: (NORTH)	(EAST)	
<u>1,990'</u> South <u>SOUTH</u>	<u>1,650'</u> West <u>(WEST)</u>	OF THE NE CORNER OF THE NE <u> </u> QUARTER
OF THE <u> </u> QUARTER OF THE <u> </u> QUARTER OF SECTION <u>31</u>		
(NORTH)	(EAST)	
TOWNSHIP <u>4S</u>	(SOUTH) RANGE <u>8E</u>	(WEST), <u>White</u> COUNTY

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, THAT IF THE PERMITTEE SHALL FULLY COMPLY WITH THE PROVISIONS OF THE HYDRAULIC FRACTURING REGULATORY ACT, 225 ILCS 732/1 ET SEQ. AND ILLINOIS OIL AND GAS ACT, 225 ILCS 725/1 ET. SEQ., (ACT), AS AMENDED, AND SHALL COMPLY WITH AND CONFORM TO THE REGULATIONS AND ORDERS OF THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, ISSUED UNDER THE PROVISIONS OF THE ACTS AND AMENDMENTS THERETO, THEN THE PERMITTEE MAY APPLY TO THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, FOR A RELEASE OF THIS OBLIGATION.

THE PERMITTEE'S OBLIGATIONS UNDER THIS PENAL BOND SHALL BE RELEASED BY THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, AND THE ABOVE-MENTIONED DEPOSIT SHALL BE RETURNED TO THE PERMITTEE, IF THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, DETERMINES, TO ITS SATISFACTION, THAT THE PERMITTEE HAS FULLY COMPLIED WITH THE TERMS AND CONDITIONS OF THIS BOND.

THE FULL-FACE AMOUNT OF THIS BOND IS SUBJECT TO FORFEITURE, BY THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, IN THE EVENT THE PERMITTEE IS FOUND TO HAVE VIOLATED THE PROVISIONS OF THE AFOREMENTIONED ACTS AND AMENDMENTS THERETO, AND SUCH VIOLATIONS REMAIN UNABATED.

SPECIAL INSTRUCTIONS: THE PRINCIPAL IS REQUIRED TO NOTIFY THE ILLINOIS DEPARTMENT OF NATURAL RESOURCES, OFFICE OF OIL & GAS RESOURCE MANAGEMENT, WITHIN THIRTY (30) DAYS OF THE SALE OF THE WELL FOR WHICH THIS BOND IS SUBMITTED, PURSUANT TO 62 ILL. ADM. CODE 240.1420.

UNDER PENALTIES OF PERJURY, WE DECLARE THAT WE ARE EXECUTING THE FOREGOING COLLATERAL BOND FOR THE USES AND PURPOSES THEREIN SET FORTH.

IN WITNESS WHEREOF, WE HAVE HEREUNTO SET OUR RESPECTIVE HANDS AND SEALS THIS _____ DAY OF _____, _____.

PERMITTEE:

SIGNATURE [REDACTED]

Manager

TITLE

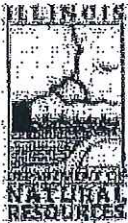
June 22, 2017

DATE

APPROVED BY:

OFFICE OF OIL AND GAS
RESOURCE MANAGEMENT

DATE



Office of Oil and Gas Resource Management
 One Natural Resources Way
 Springfield, IL 62702-1271
 (217) 782-7756



HIGH VOLUME HORIZONTAL HYDRAULIC FRACTURING

For value received, Woolsey Operating Company, LLC (Permittee) hereby assigns, sets over and transfers to the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management, its successors and assigns, all right, title, and interest of Woolsey Operating Company, LLC (Permittee) in and to the principal amount of \$50,000.00 on deposit in (Permittee) account in Peoples National Bank (Bank), as evidenced by Certificate of Deposit number [REDACTED] (in the amount of \$50,000.00) and all sums now or at any time hereafter on deposit in such account, for the purpose of securing payment of each and every debt, liability or obligation under Section 1-65 of the Hydraulic Fracturing Regulatory Act (225 ILCS 732/1-65) concerning drilling and operation of a High Volume Horizontal Hydraulic Fracturing Well

Which Woolsey Operating Company, LLC (Permittee) may now or any time hereafter owe to the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management, whether such debt, liability or obligation now exists or is hereafter created or incurred and whether it is direct or indirect, due or to become due, absolute or contingent or joint and/or several ("Obligations"). The foregoing assignment shall be construed as a grant of a security interest, subject to the extent applicable to the Uniform Commercial Code as enacted in the State of Illinois.

Woolsey Operating Company, LLC

(Permittee) hereby irrevocably authorizes and empowers the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management at any time, whether or not at such time the obligations or any part thereof are due and payable, in its own name or in Woolsey Operating Company, LLC (Permittee) name to demand, apply for withdrawal, receipt and give acquittance for any and all sums which are or will become due and payable under said account, to exercise any and all rights and privileges and receive all benefits accorded to said account, to execute any and all instruments required therefor, and to apply such moneys towards payment of the Obligations in such order of application as the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management may determine, all without notice to Woolsey Operating Company, LLC (Permittee). Peoples National Bank (Bank) is hereby specifically authorized and directed, on demand of the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management, to pay said account and all moneys hereby assigned directly to the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management and to transfer said account into the name of the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management on the books of Peoples National Bank (Bank). Until this assignment has been released by a writing delivered by the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management to Peoples National Bank (Bank), Woolsey Operating Company, LLC (Permittee) shall have no right to make any withdrawals from said account (except interest earned thereon which shall be payable to Woolsey Operating Company, LLC (Permittee) from time to time) or to the issuance of any new certificate evidencing such account.

[REDACTED]

Title: VICE PRESIDENT BUSINESS DEV.
WOOLSEY COMPANIES, INC.

Woolsey Operating Company, LLC
 Permittee

By: [REDACTED]
 Signature of Permittee

Title: Manager

ACKNOWLEDGMENT OF ASSIGNMENT

We acknowledge receipt of the notice of assignment and transfer of the account of Woolsey Operating Company, LLC (Permittee) in this institution evidenced by Certificates of Deposit number [REDACTED] (in the amount of \$ 50,000.00). We further acknowledge that until released by the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management, the principal amount of \$ 50,000.00 on deposit in such account is payable directly to the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management and that no account holder or assignee (except for the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management) shall have any right to make any withdrawal from said account (except for interest earned on such account which shall be paid to Woolsey Operating Company, LLC

(Permittee)) or to obtain any new certificate evidencing said account. We expressly waive all rights of set offs or liens against the above-referenced certificate of Deposit.

Peoples National Bank
Name of Bank

413 S 34th Street
Address

Mr Vernon, IL 62864
City State Zip

Telephone # [REDACTED]

Date: June 22, 2017
Bond DTD Oct. 12, 2016

Title: Retail Sales Manager

RELEASE OF ASSIGNMENT

TO: _____ (Bank)

This is to advise you the assignment of the account of Woolsey Operating Company LLC (Permittee) in your institution evidenced by Certificate of Deposit number [REDACTED] (in the amount of \$ 50,000.00) has been released. Pursuant to such release, please take appropriate action to ensure that all unpaid interest earned on this account is paid or credited to Woolsey Operating Co. LLC (Permittee).

Date: _____

By: _____

Supervisor

Office of Oil and Gas
Resource Management

Certificate of Deposit Receipt

This receipt is issued to:

Woolsey Operating Company LLC
125 N Market Suite 1000
Wichita KS 67202

Peoples National Bank
413 South 34th Street
Mt Vernon, IL 62864

Account Number: [REDACTED]

IRA Number: _____

Amount \$ 50,000.00
Date Opened 10/17/2016
Term 11 Months
Maturity Date 09/17/2017
Interest Rate _____ 0.650 %
Annual Percentage Yield _____ 0.65 %

The account evidenced by this receipt is subject to and further explained in the terms and conditions contained in the account agreement and account disclosures. The account is Not Negotiable and Not Transferable. Only the items checked apply.

- Fixed Interest Rate Variable Interest Rate
 Additions Permitted
 Automatically Renewable Single Maturity (not automatically renewable) Callable Notice Account

Interest will be:

- mailed to the owner(s).
 added to principal (compounded).
 paid to _____ account No. _____
