

For KCC U	lse:			
Effective Da	ate:			
District # _				
0040	٦.,	п. .		

This authorization expires: ___

Spud date: _

(This authorization void if drilling not started within 12 months of approval date.)

. Agent: .

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 Form must be Typed

ERATOR: License#	feet from N / S Line of Sect feet from E / W Line of Sect feet from E / W Line of Sect feet from E / W Line of Sect Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #: Field Name: Is this a Prorated / Spaced Field? Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water:		
State:	feet from N / S Line of Sect feet from E / W Line of Sect Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: Lease Name: Well #: Field Name: Is this a Prorated / Spaced Field? Yes It Target Formation(s): Nearest Lease or unit boundary line (in footage): Ground Surface Elevation: feet M Water well within one-quarter mile: Public water supply well within one mile: Yes Depth to bottom of fresh water: Depth to bottom of usable water:		
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State: Zip: + Intact Person:	County:		
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NTRACTOR: License#	Lease Name:		
NTRACTOR: License#	Field Name:		
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic; # of Holes Other Other:	Target Formation(s):		
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Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Public water supply well within one mile: Depth to bottom of fresh water: Depth to bottom of usable water:		
Disposal Wildcat Cable Seismic ; # of Holes Other Other:	Depth to bottom of fresh water:		
Seismic ; # of Holes Other Other:	Depth to bottom of fresh water: Depth to bottom of usable water:		
Other:	Depth to bottom of usable water:		
If OWWO: old well information as follows:	Surface Pipe by Alternate: I II		
	Length of Surface Pipe Planned to be set:		
Operator:	Length of Conductor Pipe (if any):		
Well Name:			
Original Completion Date: Original Total Depth:	Formation at Total Depth:		
	Water Source for Drilling Operations:		
ectional, Deviated or Horizontal wellbore?	Well Farm Pond Other:		
s, true vertical depth:	DWR Permit #:		
om Hole Location:	(Note: Apply for Permit with DWR)		
C DKT #:	Will Cores be taken?		
	If Yes, proposed zone:		
 The appropriate district office will be notified before well is either plugger. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order # 	h drilling rig; by circulating cement to the top; in all cases surface pipe shall be set le underlying formation. trict office on plug length and placement is necessary prior to plugging ;		
For KCC Use ONLY API # 15 Conductor pipe required feet Alinimum surface pipe required feet per ALT. I II	Remember to: - 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);		

check the box below and return to the address below.

Well Not Drilled - Permit Expired Date:

Signature of Operator or Agent:



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

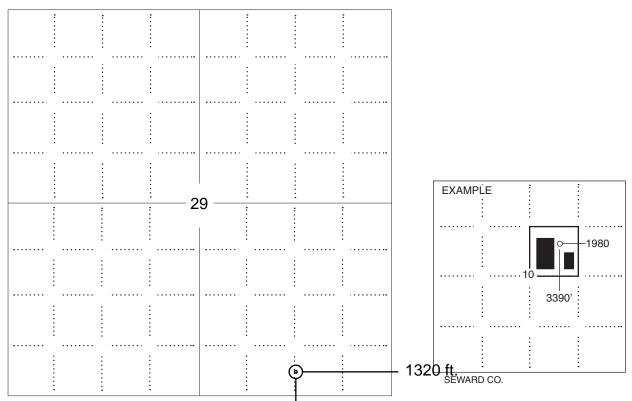
Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15	
Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R
Number of Acres attributable to well:	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 and shade attributable acreage for prorated or spaced wells.) (Show footage to the nearest lease or unit boundary line.)



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

330 ft.

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).



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

19252 Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:		License Number:				
Operator Address:						
Contact Person:		Phone Number:				
Lease Name & Well No.:		Pit Location (QQQQ):				
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits): Depth from If the pit is lined give a brief description of the material, thickness and installation procedure	Artificial Liner? Yes No Length (feet) rom ground level to deepest point: e liner Describe pr					
Distance to nearest water well within one-mile	of pit	Depth to shallo	west fresh waterfeet.			
feet Depth of water wellfeet			redwell owner electric logKDWR			
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 flow into the pit? Yes No Submitted Electronically		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Number of working pits to be utilized: Abandonment procedure: Drill pits must be closed within 365 days of spud date.				
KCC OFFICE USE ONLY Steel Pit RFAC RFAS						
Date Received: Permit Num	ber:	Permi	it Date: Lease Inspection: Yes No			

RATIFICATION OF OIL AND GAS LEASE

indirect..... indirect..... Computer X.

STATE OF KANSAS / / SS.
COUNTY OF GRAHAM /

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of TEN DOLLAR (\$10.00) and other valuable consideration herein paid, the receipt and sufficiency of which is hereby acknowledged, the undersigned do hereby adopt, ratify and confirm that certain oil and gas mining lease covering lands situated in Graham County, State of Kansas, below set out:

Dated: November 15, 2007

Lessor: John P. Sturgeon and Lois J. Sturgeon, Trustees of the John P. Sturgeon

Revocable Trust

Lessee: Castelli Exploration, Inc.

Filed: Book <u>230</u>, Page <u>628</u>

Lands: Township 9 South, Range 22 West

Section 29: SE/4 Section 32: E/2

And, for said consideration, the undersigned do hereby grant, demise, lease and let the above described lands for the purposes stated in said lease as if the terms of said lease were fully incorporated herein and does further covenant and agree that said lease shall be held to cover all of the right, title and interest of the undersigned in and to said lands with the same force and effect as if party of the first part had joined in the execution thereof; and the undersigned does hereby recognize said lease to be in full force and effect on the date hereof.

This agreement shall be binding upon the undersigned hereto, their heirs, successors and assigns.

Witness the execution hereof this 4/8 08 day of April, 2008, but effective as of the date of the oil and gas lease referenced above.

John P. Sturgeon

State of Kansas, Graham County SS.
This instrument was filed for Record on

he 2 day of May

20 08 A.D. at 9:51 o'clock A.M. Fees 12.00 and duly recorded in

Fees \$ 12.00 and duty recorded Book 232 Page 717-718

Juanita Toll, REGISTER OF DEEDS

TER OF DEEDS

Commission Expires Han 17.2011

MELISSA E ZOOK Notary Public State of Colorado The foregoing instrument was acknowledged before me this 18 day of April, 2008, by

John P. Sturgeon and Lois J. Sturgeon, husband and wife.

My commission expires Lby 17,2011

Notary Public

MELISSA E ZOOK Notary Public Itate of Colorada