



1022113

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: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

Is Section: Regular or Irregular

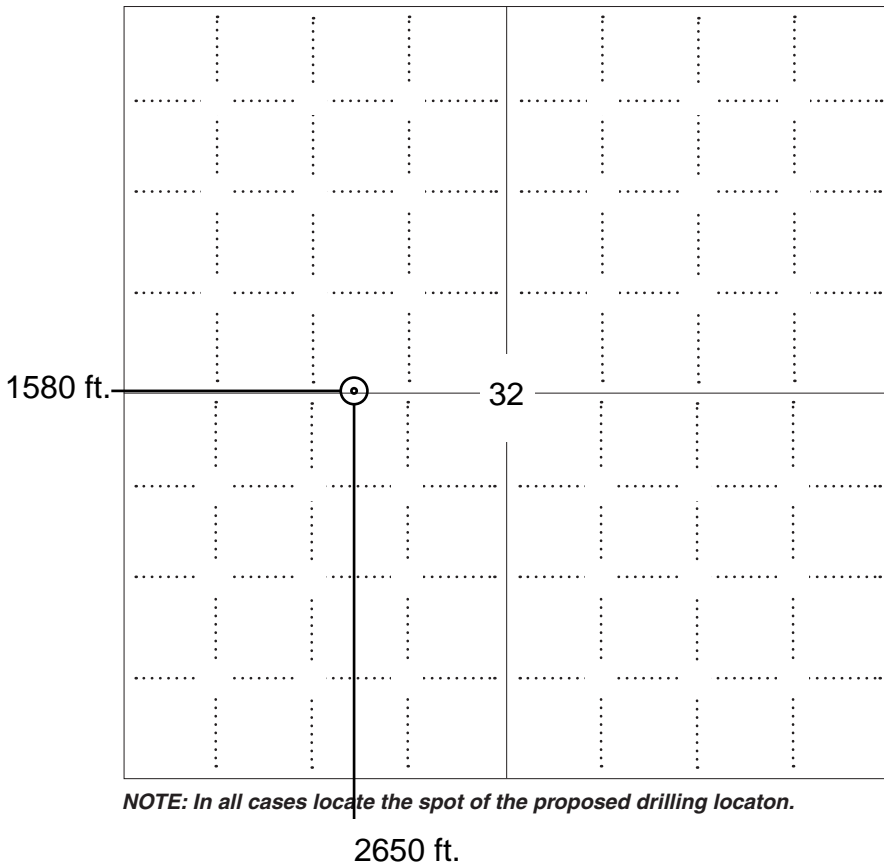
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

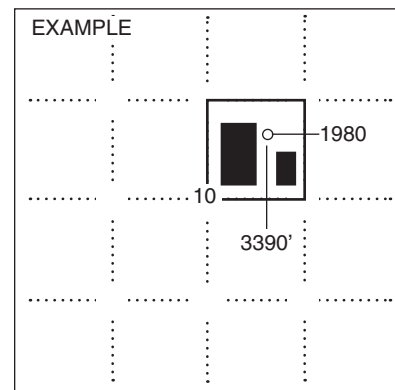
PLAT

(Show location of the well 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.



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 1022113
OIL & GAS CONSERVATION DIVISION

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: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input 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 type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i> | |
| Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| How is the pit lined if a plastic liner is not used? | | _____ | |
| Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (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. | |
| Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet | | Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR | |
| 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date. | |
| Submitted Electronically | | | |

| | | | | |
|----------------------------|----------------------|--------------------|--|------|
| KCC OFFICE USE ONLY | | Steel Pit | RFAC | RFAS |
| Date Received: _____ | Permit Number: _____ | Permit Date: _____ | Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No | |



ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned,

U.S.JACKSON L.L.C., Steven W. Jackson President.
hereinafter called Assignor (whether one or more), for and in consideration of One Dollar (\$1.00) the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto Strata Exploration Inc. P.O.Box 401, 201 NE 7th, Fairfield Illinois, 62837



STATE OF KANSAS
KIOWA COUNTY } ss

This instrument was filed for record this 27 day of May 2008 at 2:10 o'clock P.M. and recorded in Book 33 Page 465 Fees 8.00

Marilyn Brown
Register of Deeds
Deputy

(hereinafter called Assignee), All interest in and to the oil and gas lease dated January 10th, 2008 from Arthur J. Todd and Helen M. Todd, husband and wife, Rt.1 Box 112C, Greensburg Kansas, 67054

lessor _____, lessor
to U.S.JACKSON L.L.C. Steven W. Jackson President., lessee
recorded in book 20, page 2096 insofar as said lease covers the following described land in Kiowa County, State of Kansas.

NE 1/4 & S 1/2 NW 1/4 & N 1/2 N 1/2 S 1/2 & S 1/2 N 1/2 SE 1/4 32-27S-R18W.

of Section 32 Township 27S Range 18W and containing 360 acres, more or less together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith. This Assignment is made without warranty of title, either express or implied.

EXECUTED, This 14th day of May, 2008

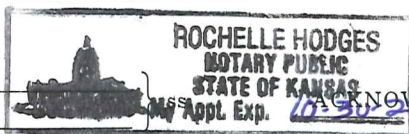
Steven W. Jackson President
Steven W. Jackson President of
U.S.JACKSON L.L.C.

STATE OF Kansas } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF _____

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____ day of _____, _____, personally appeared _____ and _____

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____ Notary Public



STATE OF Kansas } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF Harper

Be it remembered that on this 14th day of May, 2008, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Steven W. Jackson, president of U.S.JACKSON L.L.C.

a corporation of the State of Kansas, personally known to me to be such officer, and to be the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly acknowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.
My commission expires 10-30-2011
Rochelle Hodges
Notary Public

OIL AND GAS LEASE

THIS AGREEMENT, Entered into this 10th day of January, 2008

between Arthur J. Todd and Helen M. Todd, husband and wife

Rt1 Box 112 C
Greensburg Kansas, 67054

and U.S. JACKSON L.L.C. hereinafter called lessor,

hereinafter called lessee, does witness:

1. That lessor, for and in consideration of the sum of \$10.00 O.V.C. Dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, with any reversionary rights therein, and with the right to unitize this lease or any part thereof with other oil and gas leases as to all or any part of the lands covered thereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work thereon, including core drilling and the drilling, mining, and operating for, producing and saving all of the oil, gas, gas condensate, gas distillate, casinghead gasoline and their respective constituent vapors, and all other gases, found thereon, the exclusive right of injecting water, brine, and other fluids and substances into the subsurface strata, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, electrical lines and other structures thereon necessary or convenient for the economical operation of said land alone or conjointly with neighboring lands, to produce, save, take care of, and manufacture all of such substances, and the injection of water, brine, and other substances

into the subsurface strata, said tract of land being situated in the County of Kiowa
State of Kansas and described as follows:

NE 1/4 & S 1/2 NW 1/4 & N 1/2 N 1/2 S 1/2 & S 1/2 N 1/2 SE 1/4 32-27S-R18W

STATE OF KANSAS
KIOWA COUNTY } SS

This instrument was filed for record this
21st day of January, 2008
at 11:30 o'clock A.M. and recorded
in Book 20 Page 2096 Fees 28.00



Sharren Thach
Register of Deeds

Judith I. Schoenberger
Deputy

containing 360 acres, more or less.

2. This lease shall remain in force for a term of three (3) years (called "primary term") and as long thereafter as oil, gas, casinghead gas, casinghead gasoline or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the leased premises, or at the lessee's option may pay to the lessor for such one-eighth royalty the market price at the wellhead for oil of like grade and gravity prevailing on the day such oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to the lessor, as a royalty, one-eighth (1/8th) of the proceeds received by the lessee from the sale of gas, gas condensate, gas distillate, casinghead gas, gas used for the manufacture of gasoline or any other product, and all other gases, including their constituent parts, produced from the land herein leased. If such gas is not sold by the lessee, lessee may pay or tender annually at or before the end of each yearly period during which such gas is not sold, as a shut-in royalty, whether one or more wells, an amount equal to one dollar per net mineral acre, and while said shut in royalty is so paid or tendered, it will be considered under all provisions of this lease that gas is being produced in paying quantities. The first yearly period during which such gas is not sold shall begin on the date the first well is completed for production of gas.

5. This lease is a paid-up lease and may be maintained during the primary term without further payments or drilling operations.

6. In the event said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein then the royalties herein provided for shall be paid to said lessor only in the proportion which his interest bears to the whole and undivided fee; however, in the event the title to any interest in said land should revert to lessor, or his heirs, or his or their grantee, this lease shall cover such reversion.

7. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from existing wells of the lessor. When required by lessor, the lessee shall bury its pipe lines below plow depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of this lease to remove all machinery fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing.

8. If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change or division in ownership of the land, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee, and no change of ownership in the land or in the royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof, or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary in showing a complete chain of title back to lessor of the full interest claimed, and all advance payments of rentals made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, or administrator, executor, or heir of lessor.

9. If the leased premises are now or shall hereafter be owned in severalty or in separate tracts, the premises may nonetheless be developed and operated as one lease, and all royalties accruing hereunder shall be divided among and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease may now or hereafter be divided by sale, devise, descent or otherwise, or to furnish separate measuring or receiving tanks.

10. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such options it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty accruing hereunder.

11. If after the expiration of the primary term, production of oil or gas should cease from any cause, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred-twenty (120) days thereafter, or if at the expiration of the primary term, oil or gas is not being produced on said land, but lessee is then engaged in drilling or reworking operations thereon, then in either event, this lease shall remain in force so long as operations are prosecuted either on the same well or any other well thereafter commenced, with no cessation of more than one hundred-twenty (120) consecutive days, and if they result in production of oil or gas, this lease shall remain in effect so long thereafter as there is production of oil or gas under any provision of this lease.

12. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, or by placing same of record in the proper county. In case said lease is surrendered and canceled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion canceled shall cease and determine, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

13. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any constituted authority having jurisdiction thereover, the primary term of this lease shall continue until six months after said order is suspended.

14. Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be in a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 840 acres each in the event of a gas and/or condensate or distillate well, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

15. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

The attached Exhibit "A" lease rider amendment is incorporated and made part of this lease.

IN WITNESS WHEREOF, we sign the day and year first above written.

Helen M. Todd
Helen M. Todd SS# 515-36-6409

Arthur J. Todd
Arthur J. Todd SS#

STATE OF KANSAS, COUNTY OF COMANCHE, SS:

The foregoing Oil and Gas Lease was signed and duly acknowledged before me on January 21, 2008 by Helen M. Todd and Arthur J. Todd, wife and husband, such persons being personally known to me to be the same persons who executed such Oil and Gas Lease and acknowledged the execution of the same.



A handwritten signature in black ink, appearing to be "CH Herd", written over a horizontal line.

Notary Public, Charles H. Herd

My appointment expires: Dec. 10, 2011

obligated to file of record in the office of the Kiowa County Register of Deeds, a release of all rights and interest in said lease in and to all zones and formations 100 feet or more below the stratigraphic equivalent of the total depth of the deepest well drilled by Lessee on the leased premises, sixty (60) days following written demand thereof after two (2) years shall have passed following the expiration of the primary term of the lease. If such release is not filed within said period, then Lessee shall be liable for any damages sustained by Lessor, and for any reasonable attorney fees incurred by Lessor in obtaining such release. Lessor shall have rights of ingress and egress over, through and across all zones and geological formations held by Lessee for the purpose of exploring and producing such deeper zones and formations.

17. Lessee's obligations and liabilities under this lease and addendum include, cover and extend to the acts and omissions of Lessee's employees, agents, partners, principals, operators, contractors, invitees, successors and assigns.

18. Lessee shall have no right to lay pipelines, install or construct other structures except those directly relating to production of oil and/or gas from the real estate described in this lease, unless Lessee purchases right of way from Lessor for such pipelines.

19. In the event any CRP grass is destroyed by oil and gas lease exploration, drilling operations, production operations, road useage or location of storage tanks, Lessee shall pay to Lessor a sum equal to the greater of: (a) the amount of affected land acres times (x) the existing CRP contract rate; or (b) the amount USDA reduces Lessor's CRP payment. If USDA reduces Lessor's CRP payment because of land acreage affected by oil and gas operations, Lessee shall reimburse Lessor annually for the amount of the reduction until the reduction is removed and full payment restored by USDA; or, for the term of the CRP contract and extensions thereof if the reduction is not removed. Additionally, Lessee shall pay the actual cost of the grass seed mix required for the specific soil type and pay the actual cost of preparing the soil and drilling cover crops and the grass crop as required by USDA rules and regulations. The area of CRP grass affected, less the area needed for oil and gas operations in the event of production, shall be determined without delay and shall be re-seeded on the time table established by the Kiowa County FSA office. With respect to native pasture or grass areas not included in the CRP program, Lessee shall compensate Lessor for damages to those grass areas affected. Lessee's obligations to pay for grass seed, soil preparation and drilling the grass crop as stated for CRP land shall also apply to non-CRP grass and native pasture areas affected by oil and gas lease operations.

20. Lessee shall have the option of extending the primary term of this lease for one (1) additional year by paying Lessor the sum of \$10.00 per mineral acre leased. The option must be exercised on all tracts where the original primary term is due to expire, unless the Lessor agrees otherwise in writing.

21. The provisions of the lease, including this addendum, shall be binding upon the successors and assigns of the parties. This addendum shall be attached to and

EXHIBIT "A" attached to and made part of the Oil and Gas Lease dated January 10, 2008 by and between Arthur J. Todd and Helen M. Todd, husband and wife, as Lessor; and U.S. Jackson, as Lessee.

1. The provisions of this addendum shall control and supersede the terms of the attached oil and gas lease when such terms conflict.

2. This lease may not be unitized with any other lands or leases except with the separate written agreement of the Lessor.

3. In the event of production from a well located on a tract described in this lease, Lessee shall, upon expiration of the primary term of this lease, release all other tracts except the tract where the well is located. As used in this provision, the phrase "tract where the well is located" shall mean a land area of one hundred sixty (160) acres or less, contiguous to the well site. If the legal description of the tract where the well is located contains less than one hundred sixty (160) acres, then the lease shall be limited to the acres contained in that legal description. In no event shall the lease acres exceed one hundred sixty (160) acres.

This paragraph 3 provision is subject to the option to extend the primary term of the lease as provided in paragraph 20 below.

4. Where gas from a well or wells capable of producing gas only is not sold for a period of one (1) year from the end of the primary term and the well is "shut in", Lessee shall pay Lessor a shut-in royalty of \$10.00 per net mineral acre per year. Payment of shut-in royalty will not extend the lease for more than two (2) additional years from the date the well is shut-in.

5. The installation of a salt water disposal well or disposal of salt water on the premises is not permitted, except with the separate written agreement of the Lessor.

6. Lessee shall pay Lessor for any and all damages caused by Lessee's oil and gas exploration, operations, production or development, including, but not limited to, damage to fences, improvements, livestock, water supply, land, soil, grass and crops. Lessee shall pay Lessor a minimum of at least \$2,500.00 for each drill site location on the leased premises. Lessor may require prepayment of site damages prior to commencement of any drilling operations.

7. Lessee shall, upon the completion of any "dry-hole" test drilling operations, or upon the abandonment of any producing well, restore the surface of the land, including topsoil, to its original condition as nearly as practicable and remove all equipment, fixtures, structures and hard surface areas within six months, subject to weather and wet

surface conditions which reasonably affect restoration of the land surface.

8. Lessee shall consult with Lessor regarding the route of ingress and egress on or through the lease premises relative to exploration, drilling, production and other lease operations prior to engaging in such operations.

9. Lessor shall have the right to direct and pre-approve the location of all access roads, tank batteries and pipelines of any type prior to installation.

10. Lessee shall consult with Lessor regarding location of pits before digging. Topsoil from the pits shall be piled separately and returned to the surface when the pits are filled. Lessee shall return the surface and its contours to original condition as nearly as possible.

11. In the event of production and continued use of the surface, Lessee, or its assigns, will maintain, restore and repair the land area affected by the lease operations.

~~12. Royalties payable to Lessor shall be free from all processing costs including, but not limited to cleaning, gathering, compression and dehydration costs. Lessor's royalty shall also be free from all transportation costs to the meter (point of sale), and in any event, be free from transportation charges charged by entities in which Lessee owns an interest or which is a related entity to Lessee. Lessee shall indemnify and hold Lessor harmless from the costs and charges as described in this section.~~ *Sub T. W*

13. Lessee must obtain the Lessor's prior written consent before using water from the premises for drilling operations. Use of water pursuant to this lease will be limited to drilling operations only on the real estate described in the lease. If a water well is drilled on the property relative to operations under this lease, the cased hole will be plugged, or will be left for Lessor's future use as Lessor may direct. Lessee shall compensate Lessor for any water used.

14. Lessee shall bury any pipelines a depth of not less than thirty-six (36) inches below the surface to the top of the pipe.

15. Lessee shall install and maintain (at Lessee's expense) fencing around Lessee's oil or gas well sites and tank battery sites to protect any livestock from injury by equipment or by ingestion of oil, salt water or other liquids. Lessee shall install and maintain cattle guards in fence lines of any permanent fencing and shall keep any gates of temporary or permanent fencing closed when livestock are kept on the premises. Lessee shall be liable for any damages sustained by Lessor or tenants for violation of this covenant.

16. If this lease is in force and effect two (2) years after the expiration of the primary term, this lease shall thereupon terminate as to the oil and gas rights in all zones or formations of the leased premises 100 feet or more below the stratigraphic equivalent of the total depth of the deepest well drilled by Lessee under this lease. Lessee shall be

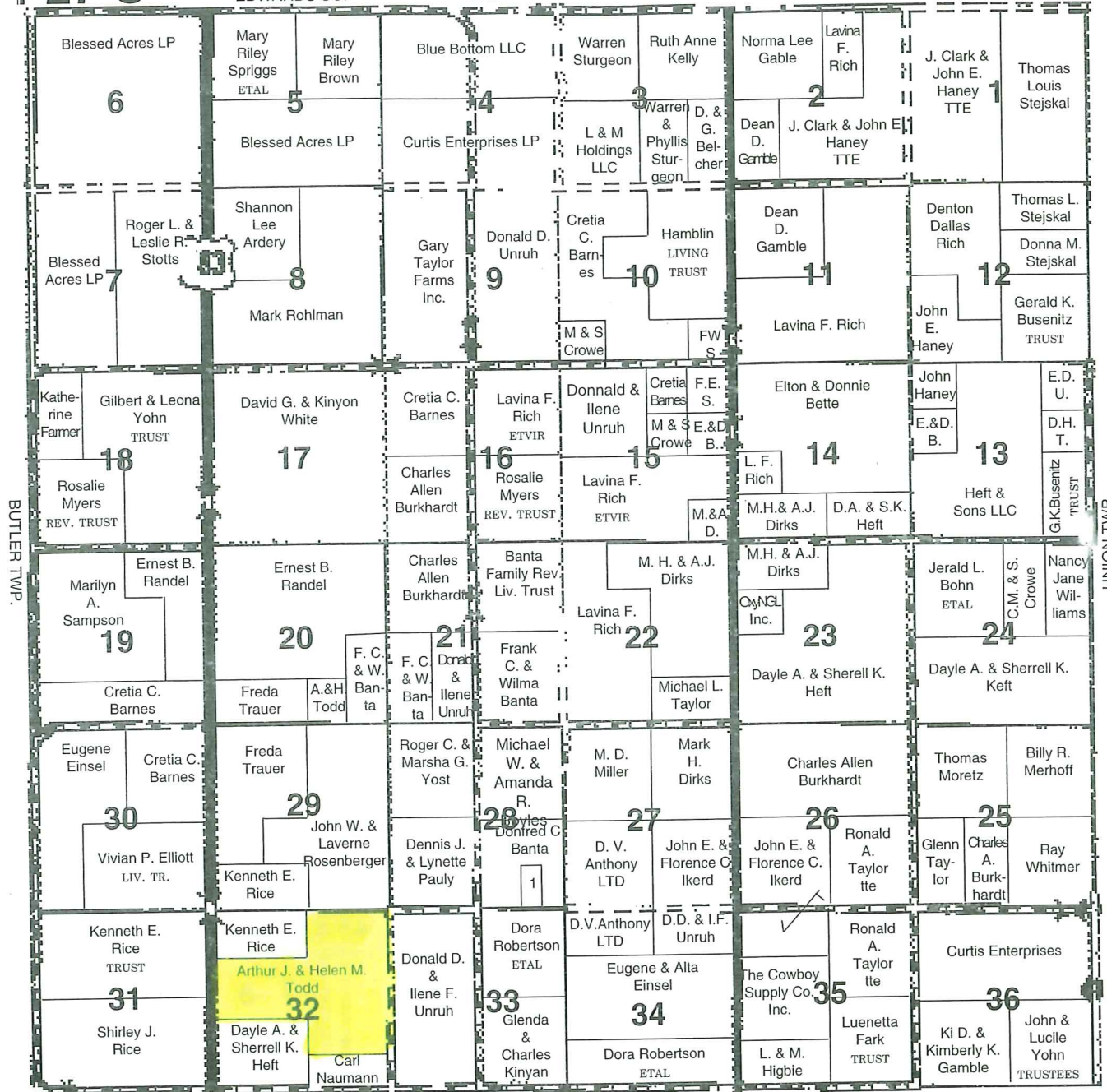
T-27-S

EDWARDS CO.

VALLEY

EDWARDS CO.

R-18-W

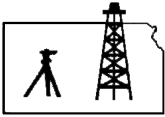


Section #28

1. Ron & Wendel Lea Banta

CENTER TWP.

KIOWA COUNTY, KANSAS 2006



ROBINSON SERVICES

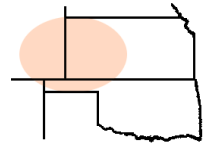
Oil Field & Construction Staking

P.O. Box 2324

Garden City, Kansas 67846

Office/Fax: (620) 276-6159

Cell: (620) 272-1499



s090808-r
PLAT NO.

7840
INVOICE NO.

Strata Exploration Inc.

OPERATOR

Kiowa County, KS

COUNTY

32 27s 18w
Sec. Twp. Rng.

Todd #1-32

LEASE NAME

2650' FSL - 1580' FWL

LOCATION SPOT

SCALE: **1" = 1000'**

DATE STAKED: **Sept. 8th, 2008**

MEASURED BY: **Jeremy T.**

DRAWN BY: **Gabe Q.**

AUTHORIZED BY: **Bob K.**

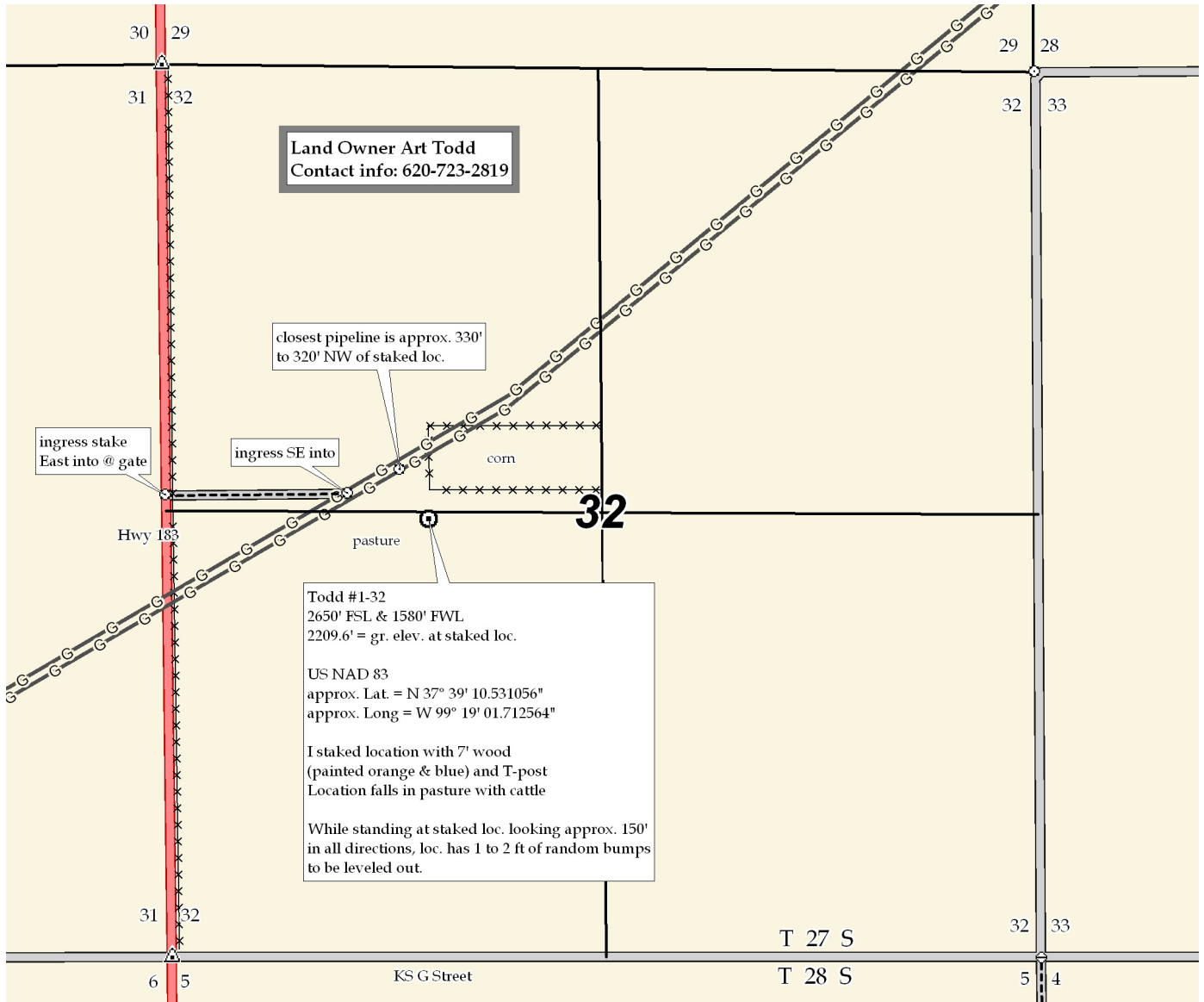


GR. ELEVATION: **2209.6'**

Directions: From approx. 1 mile West of Greensburg, Ks at the intersection of Hwy 183 & Hwy 54 - Now go 2.7 miles North on Hwy 183 to the SW corner of section 32-27s-18w - Now go 0.5 mile North to ingress stake East into - Now go 0.2 mile East on trail - Now go approx. 510' SE through pasture into staked location.

Final ingress must be verified with land owner or Strata Exploration Inc.

This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only





*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

September 17, 2008

John R. Kinney
Strata Exploration, Inc.
PO BOX 401
FAIRFIELD, IL62837-0401

Re: Drilling Pit Application
Todd Lease Well No. 1-32
NW/4 Sec.32-27S-18W
Kiowa County, Kansas

Dear John R. Kinney:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or native clay, constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred and again 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 (620) 225-8888 when the fluids have been removed. Please file form CDP-5, 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: kcc.ks.gov/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 District Office at (620) 225-8888.