

| For KCC | Use: | | | |
|------------|-------|---|--|--|
| Effective | Date: | | | |
| District # | | | | |
| 0040 | | □ | | |

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

1032711

Form C-1
October 2007
Form must be Typed
Form must be Signed

| | NTENT TO DRILL All blanks must be Filled (5) days prior to commencing well |
|---|--|
| Expected Sould Date: | Spot Deceription: |
| Expected Spud Date: month day year | Spot Description: |
| | Sec Twp S. R LE LW feet from N / S Line of Section |
| OPERATOR: License# | |
| Name: | feet from E / W Line of Section |
| Address 1: | Is SECTION: Regular Irregular? |
| Address 2: | (Note: Locate well on the Section Plat on reverse side) |
| Contact Posses: State: Zip: + | County: |
| Contact Person: Phone: | Lease Name: Well #: |
| | Field Name: |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? |
| Name: | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary line (in footage): |
| | Ground Surface Elevation:feet MSL |
| Oil Enh Rec Infield Mud Rotary | Water well within one-quarter mile: |
| Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable | Public water supply well within one mile: |
| Seismic; # of Holes Other | Depth to bottom of fresh water: |
| Other: | Depth to bottom of usable water: |
| | Surface Pipe by Alternate: I III |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: |
| Operator: | Length of Conductor Pipe (if any): |
| Well Name: | Projected Total Depth: |
| Original Completion Date: Original Total Depth: | Formation at Total Depth: |
| | Water Source for Drilling Operations: |
| Directional, Deviated or Horizontal wellbore? Yes No | Well Farm Pond Other: |
| If Yes, true vertical depth: | DWR Permit #: |
| Bottom Hole Location: | (Note: Apply for Permit with DWR) |
| KCC DKT #: | Will Cores be taken? |
| | If Yes, proposed zone: |
| The undersigned hereby affirms that the drilling, completion and eventual plut is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the 4. If the well is dry hole, an agreement between the operator and the dist 5. The appropriate district office will be notified before well is either pluge 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented or pursuant to Appendix "B" - Eastern Kansas surface casing order #1 | n drilling rig; by circulating cement to the top; in all cases surface pipe shall be set e underlying formation. trict office on plug length and placement is necessary prior to plugging ; ged or production casing is cemented in; |
| For KCC Use ONLY API # 15 Conductor pipe requiredfeet | 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; |
| Minimum surface pipe requiredfeet per ALT. I II | Notify appropriate district office 48 hours prior to workover or re-entry; Submit plugging report (CP-4) after plugging is completed (within 60 days); |

- If this permit has expired (See: authorized expiration date) please

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

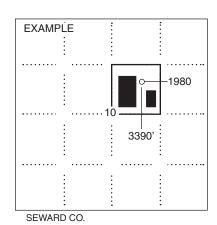
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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.)

| 165 ft. | | | | | | | | |
|---------|--|------------------|--------|----------|-------|------------|--------|------------|
| 2475 ft | | : | : | <u> </u> | | • | | • |
| | | : : : | | : : | •••• | : : | | : : |
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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 OIL & GAS CONSERVATION DIVISION

032711

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 proce | | | | | |
| | | ccgy, | | | | |
| 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: | | | |



Mark Parkinson, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

November 05, 2009

Dennis Kershner Colt Energy Inc PO BOX 388 IOLA, KS 66749-0388

Re: Drilling Pit Application Beard-Skelton #3 1-33 NW/4 Sec.33-22S-16E Coffey County, Kansas

Dear Dennis Kershner:

District staff has inspected the above referenced location and has determined that the reserve pit shall be 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 practical 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) 432-2300 when the fluids have been removed. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through SOLAR within 30 days of fluid removal.

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) 432-2300.