

For KCC Use:
Effective Date: _____
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION 1048125
OIL & GAS CONSERVATION DIVISION

Form C-1
March 2010

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

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: _____ month _____ day _____ year _____

OPERATOR: License# _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: _____

CONTRACTOR: License# _____

Name: _____

Well Drilled For:	Well Class:	Type Equipment:	
<input type="checkbox"/> Oil <input type="checkbox"/> Gas	<input type="checkbox"/> Enh Rec <input type="checkbox"/> Storage <input type="checkbox"/> Disposal <input type="checkbox"/> Seismic ; _____ # of Holes <input type="checkbox"/> Other	<input type="checkbox"/> Infield <input type="checkbox"/> Pool Ext. <input type="checkbox"/> Wildcat <input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary <input type="checkbox"/> Air Rotary <input type="checkbox"/> Cable

If OWWO: old well information as follows:

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 #: _____

Spot Description: _____

(0000) - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
feet from N / S Line of Section
feet from E / W Line of Section

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 No

Target Formation(s): _____

Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ 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: _____

Depth to bottom of usable water: _____

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): _____

Projected Total Depth: _____

Formation at Total Depth: _____

Water Source for Drilling Operations:

Well Farm Pond Other: _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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.

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____

(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: _____

M
W

For KCC Use ONLY

API # 15 - _____

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: _____

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. _____ E W

Number of Acres attributable to well: _____

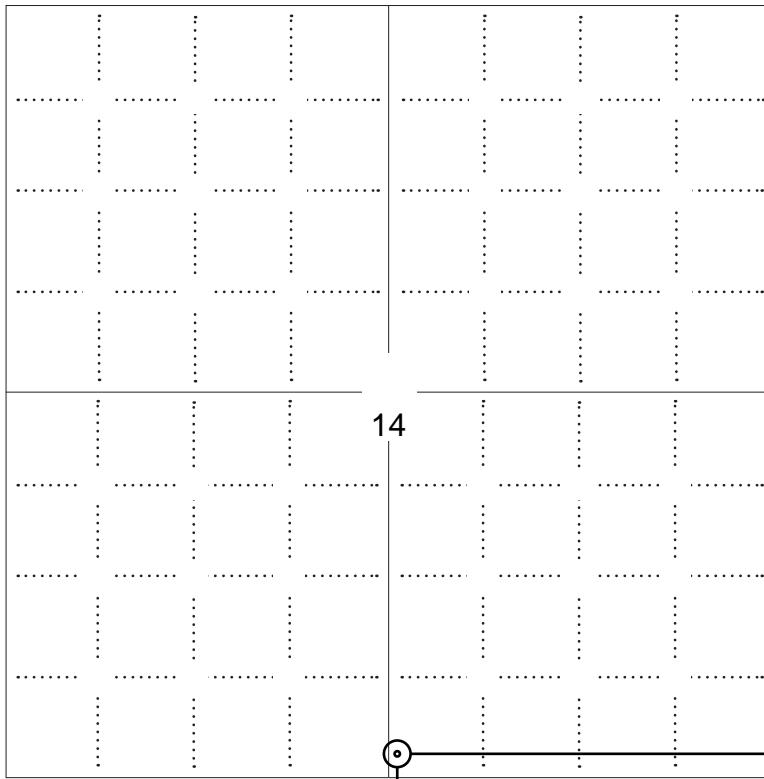
Is Section: Regular or Irregular

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

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.



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

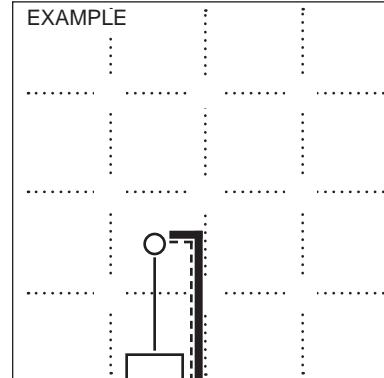
165 ft.

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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name:		License Number:
Operator Address:		
Contact Person:		Phone Number:
Lease Name & Well No.:		Pit Location (QQQQ): ____ - ____ - ____ - ____ Sec. ____ Twp. ____ R. ____ <input type="checkbox"/> East <input type="checkbox"/> West ____ Feet from <input type="checkbox"/> North / <input type="checkbox"/> South Line of Section ____ Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section ____ County
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 <small>(If WP Supply API No. or Year Drilled)</small> _____		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 <small>(For Emergency Pits and Settling Pits only)</small>
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)		<input type="checkbox"/> N/A: Steel Pits
Depth from ground level to deepest point: _____ (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.
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: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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

 Liner Steel Pit RFAC RFAS
Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

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.

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

OPERATOR: License # _____

Well Location:

Name: _____

____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West

Address 1: _____

County: _____

Address 2: _____

Lease Name: _____ Well #: _____

City: _____ State: _____ Zip: _____ + _____

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

Contact Person: _____

Phone: (_____) _____ Fax: (_____) _____

Email Address: _____

Surface Owner Information:

Name: _____

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.

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

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:

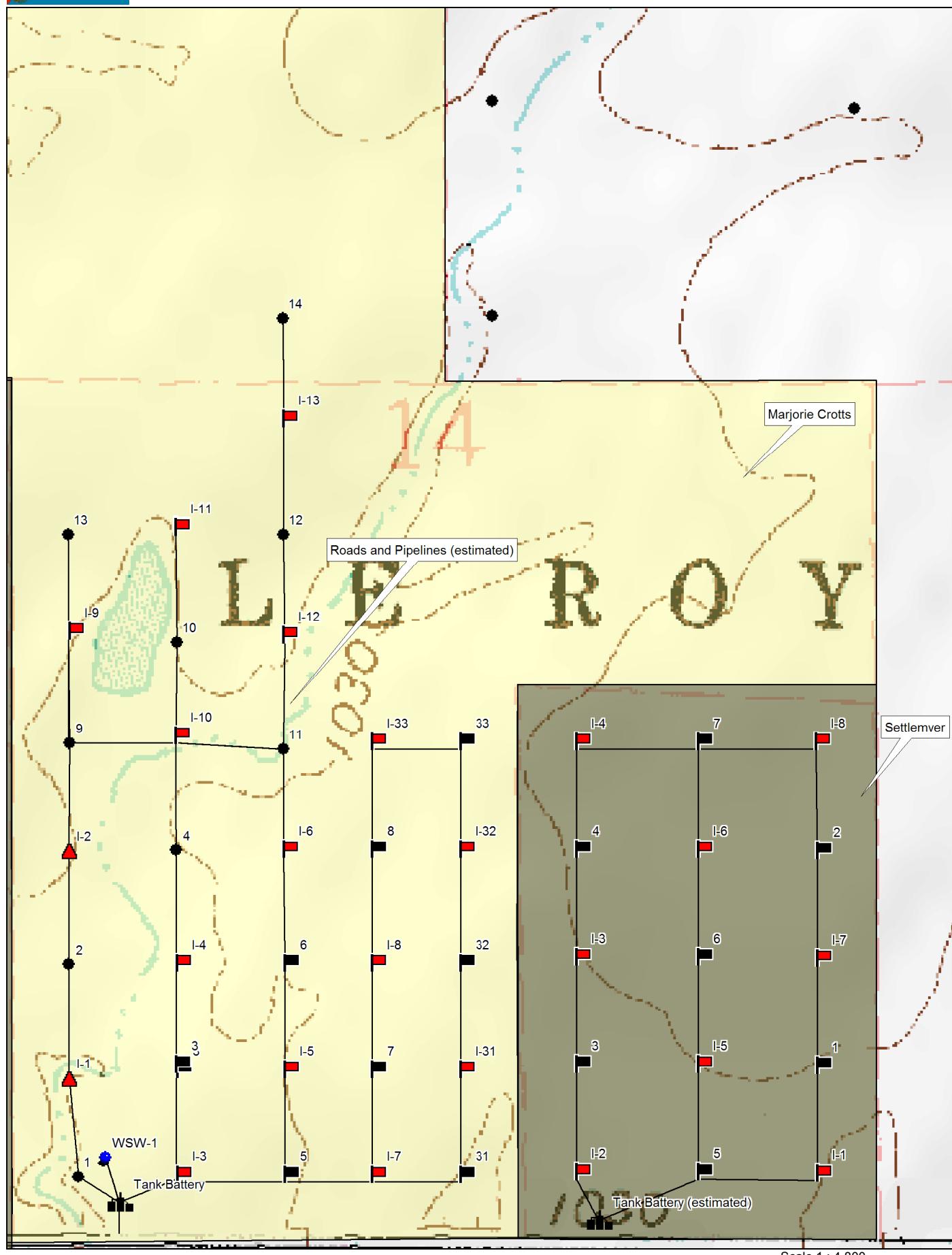
I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this 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.

| Submitted Electronically

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OIL AND GAS LEASE

This Agreement, made and entered into the 1st day of March, 2010, by and between Marjorie F. Crotts, a single person, party of the first part, and Altavista Energy, Inc., a Kansas corporation, P. O. Box 128, Wellsville, Kansas 66092, party of the second part, hereinafter referred to as Lessee.

WITNESSETH:

That the said Lessor, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let exclusively unto said Lessee, for the sole and only purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas and all substances produced in association therewith, laying pipelines, building tanks, power stations, telephone lines, roads and other structures thereon, to produce, save and take care of said products, that all certain tract of land, together with any reversionary rights therein, situated in the County of Coffey, State of Kansas, the description of which is as follows:

The East half of the Southwest quarter, and the West half of the Southeast quarter of Section Fourteen, except a certain tract in the West half of the Southeast quarter of Section Fourteen, described as beginning at the Southeast corner of the West half of the Southeast quarter of Section Fourteen, thence North 104 Rods, thence West 66 Rods and 10 Feet, thence South 104 Rods, thence East 66 Rods and 10 feet to the place of beginning, all in Section Fourteen, Township Twenty-two, Range Sixteen East.

It is agreed that this Lease shall remain in full force and effect for a term of one (1) year from this date and for so long thereafter as oil and gas, or either of them, is produced from the leased premises in paying quantities.

In consideration of the premises, the said Lessee covenants and agrees:

1. To deliver to the credit of Lessor, free of cost, in the pipeline to which the Lessee may connect the wells, the equal three-sixteenths (3/16) part of all oil produced and saved from the leased premises.

2. The Lessee shall pay to Lessor for gas produced from any oil well used by the Lessee for the manufacture of gas or any other product as royalty three-sixteenths (3/16) of the market value of such gas at the mouth of the well; if said gas is sold by the Lessee, then as royalty three-sixteenth (3/16) of the proceeds of the sale thereof at the mouth of the well.

Lessee covenants not to construct permanent access roads by depositing rock or chemicals upon said Lease access roads unless authorized by Lessor.

Lessee covenants to bury all electrical service below plow depth unless authorized by Lessor.

Lessee covenants to regrade all drill sites to the condition that said drill sites were in immediately prior to Lessee conducting drilling activities upon said sites, as soon as possible after drilling operations are complete.

If 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 shall be paid the Lessor only in the proportion which the Lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operation thereon except water from wells of Lessor. When required by Lessor, the lessee shall bury its pipe lines and electrical 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, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

If the leased premises are now or hereafter owned in severalty or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in the proportion that the acreage owned by him bears to the entire leased area. 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 hereinafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks for the oil produced from such separate tracts.

Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment, any mortgages, taxes or other liens on the described land in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof and may reimburse itself from any rental or royalties accruing thereunder.

The terms, covenants and conditions hereof shall run with the land and herewith shall be binding upon the parties

The rights of either party hereunder may be assigned, in whole or in part, and the provision hereof shall be extended to the heirs, successors and assigns of the parties hereto, but no change or division of ownership of said land, royalties, or payments however accomplished, shall be binding on Lessee until Lessee shall be furnished with a certified copy of all recorded instruments, all court proceedings and all other necessary evidence of any transfer, inheritance, or sale of said rights. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee shall have the right at any time without Lessor's consent to surrender all or any portion of said land and be relieved of all obligation as to the acreage surrendered.

Marjorie F. Crots by Sami Lee P.O.
Marjorie F. Crots

Lessor

ALTAVISTA ENERGY, INC.

By: Douglas G. Evans
Douglas G. Evans

President
Lassoo

ATTEST:

ATTEST:

Douglass C. Shum
Secretary

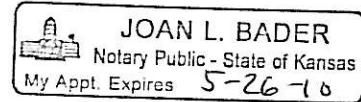
STATE OF Kansas)
COUNTY OF Coffey)ss:

BEFORE ME, the undersigned, a Notary Public within and for said County and State, on this 1st day of March, 2010, personally appeared Marjorie F. Crotts, a single person, to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that she executed the same as her 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.

Form of Rider Notary Public

Appointment/Commission Expires: 5-3-2014



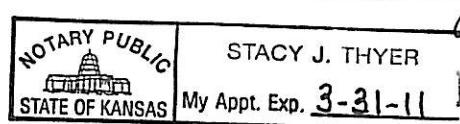
STATE OF Kansas)
COUNTY OF Franklin)ss:

ACKNOWLEDGMENT FOR CORPORATION

BE IT REMEMBERED that on this 2nd day of March, 2010, before me, the undersigned, a Notary Public, duly commissioned, in and for the county and state aforesaid, came Douglas G. Evans, President of Altavista Energy, Inc., 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 on 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.

Appointment/Commission Expires:



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Mark Parkinson, Governor
Thomas E. Wright, Chairman
Joseph F. Harkins, Commissioner
Ward Loyd, Commissioner

December 14, 2010

Phil Frick
Altavista Energy, Inc.
4595 K-33 Highway
PO BOX 128
WELLSVILLE, KS 66092

Re: Drilling Pit Application
API 15-031-22779-00-00
Marjorie Crotts 31
SE/4 Sec.14-22S-16E
Coffey County, Kansas

Dear Phil Frick:

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 KOLAR 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.

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

Summary of Changes

Lease Name and Number: Marjorie Crotts 31

API/Permit #: 15-031-22779-00-00

Doc ID: 1048125

Correction Number: 1

Approved By: Rick Hestermann 12/14/2010

Field Name	Previous Value	New Value
Contractor Name	Advise on ACO-1 -- Must be licensed by KCC	Advise on ACO-1 -- Must be licensed by KCC
ElevationPDF	1048 Estimated	1049 Estimated
Ground Surface Elevation	1048	1049
KCC Only - Approved By	Rick Hestermann 12/02/2010	Rick Hestermann 12/14/2010
KCC Only - Approved Date	12/02/2010	12/14/2010
KCC Only - Date Received	12/01/2010	12/14/2010
KCC Only - Production Comment		Oil & gas lease attached.
LocationInfoLink	https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=14&t20	https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=14&t165
Nearest Lease Or Unit Boundary		
Number of Feet East or West From Section Line	2430	2590

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Number of Feet East or West From Section Line	2430	2590
Save Link	../../kcc/detail/operatorEditDetail.cfm?docID=1047594	../../kcc/detail/operatorEditDetail.cfm?docID=1048125

Summary of Attachments

Lease Name and Number: Marjorie Crotts 31

API: 15-031-22779-00-00

Doc ID: 1048125

Correction Number: 1

Approved By: Rick Hestermann 12/14/2010

Attachment Name

Marjorie Crotts Lease 1

Fluid