

Well will not be drilled or Permit Expired Date: _

Signature of Operator or Agent:

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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1060399

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

| Expected Spud Date: | | Spot Description: |
|---|---|--|
| | month day yea | Sec. Twp. S. R E \ |
| OPERATOR: License# | | (0/0/0/0) feet from N / S Line of Section |
| | | foot from F / W Line of Socie |
| | | LOSOTION D. L. D. L. O. |
| | | |
| | State: Zip: + . | |
| Contact Person: | | Lease Name: Well #: |
| Phone: | | Field Name: |
| CONTRACTOR: License# | # | |
| Name: | | Target Formation(s): |
| 14/ 11 5 111 1 5 | W # 01 | Negroot League or unit boundary line (in feetage): |
| Well Drilled For: | Well Class: Type Equipme | Ground Surface Elevation:feet MS |
| Oil Enh | | Water well within one-quarter mile: |
| Gas Stora | | Public water supply well within one mile: |
| Disp | | Depth to bottom of fresh water: |
| Seismic ;# | | Depth to bottom of usable water: |
| Other: | | Surface Pipe by Alternate: I II |
| If OWWO: old wel | Il information as follows: | Length of Surface Pipe Planned to be set: |
| _ | | |
| • | | D. L. IT. I.D. II |
| | Pate: Original Total Depth: | |
| Original Completion D | ate Original Total Deptil | Water Source for Drilling Operations: |
| Directional, Deviated or He | orizontal wellbore? | /es No Well Farm Pond Other: |
| If Yes, true vertical depth: | | |
| Bottom Hole Location: | | (Note: Apply for Permit with DWR) |
| KCC DKT #: | | |
| | | If Yes, proposed zone: |
| | | A FEID AVIIT |
| The undersianed hereby | office that the deiling completion and | AFFIDAVIT |
| | • • | eventual plugging of this well will comply with K.S.A. 55 et. seq. |
| _ | wing minimum requirements will be met: | |
| | iate district office <i>prior</i> to spudding of w | |
| 17 11 | roved notice of intent to drill shall be pos | sted on each drilling rig; shall be set by circulating cement to the top; in all cases surface pipe shall be set |
| | solidated materials plus a minimum of 20 | , |
| _ | • | and the district office on plug length and placement is necessary <i>prior to plugging</i> ; |
| | | either plugged or production casing is cemented in; |
| | | be cemented from below any usable water to surface within 120 DAYS of spud date. |
| | | sing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing well shall be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing. |
| must be complete | a within 30 days of the spud date of the | well shall be plugged. In all cases, NOTIFT district office prior to any centerting. |
| | | |
| | | |
| uhmitted Flectro | nically | |
| ubmitted Electro | nically | - Remarks at the |
| ubmitted Electro | nically | Remember to: |
| For KCC Use ONLY | | - File Certification of Compliance with the Kansas Surface Owner Notification |
| For KCC Use ONLY API # 15 - | · | - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; |
| For KCC Use ONLY API # 15 Conductor pipe required | feet | 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; |
| For KCC Use ONLY API # 15 Conductor pipe required | · | - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; |
| For KCC Use ONLY API # 15 Conductor pipe required Minimum surface pipe re | feet | - 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; |
| API # 15 Conductor pipe required Minimum surface pipe re | feet equiredfeet per ALT. [| - 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); |
| For KCC Use ONLY API # 15 Conductor pipe required Minimum surface pipe re Approved by: This authorization expire | feet equiredfeet per ALT. [| - 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); |

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Spud date: _

Side Two



| For KCC Use ONLY | |
|------------------|---|
| API # 15 | _ |

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

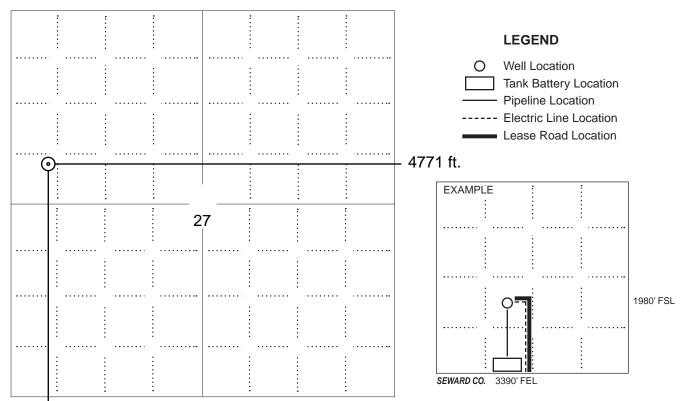
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

| Operator: | Location of Well: County: |
|---------------------------------------|--|
| Lease: | feet from N / S Line of Section feet from E / W Line of Section |
| | |
| Field: | SecTwpS. R L E W |
| 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 |
| | |
| | |
| DI A | - |

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 locaton.

3182 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.



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

060399

Form CDP-1 May 2010 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 | Pit is: | | SecTwp R |
| Settling Pit Drilling Pit If Existing, date cor | | | Feet from North / South Line of Section |
| Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) | Pit capacity: | (bbls) | Feet from East / West Line of Section County |
| Is the pit located in a Sensitive Ground Water A | rea? Yes N | No | Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) |
| Is the bottom below ground level? Yes No | Artificial Liner? | 0 | How is the pit lined if a plastic liner is not used? |
| Pit dimensions (all but working pits): | Length (fee | t) | Width (feet) N/A: Steel Pits |
| Depth fro | om ground level to deep | pest point: | (feet) No Pit |
| If the pit is lined give a brief description of the line material, thickness and installation procedure. | itei | | dures for periodic maintenance and determining ncluding any special monitoring. |
| Distance to nearest water well within one-mile of | of pit: | Depth to shallo | west fresh water feet. mation: |
| feet Depth of water wellfeet | | measured | well owner electric log KDWR |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Worko | over and Haul-Off Pits ONLY: |
| Producing Formation: | | Type of materia | al utilized in drilling/workover: |
| Number of producing wells on lease: | | Number of work | king pits to be utilized: |
| Barrels of fluid produced daily: | | Abandonment p | procedure: |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? | | Drill pits must b | pe closed within 365 days of spud date. |
| Submitted Electronically | | | |
| | ксс | OFFICE USE OI | NLY Liner Steel Pit RFAC RFAS |
| Date Received: Permit Numb | ber: | Permi | t Date: Lease Inspection: Yes No |



Kansas Corporation Commission Oil & Gas Conservation Division

1060399

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

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 (C | Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application) | | |
|---|--|--|--|
| OPERATOR: License # | Well Location: | | |
| Name: | SecTwpS. R 🔲 East 🗌 West | | |
| Address 1: | County: | | |
| Address 2: | Lease Name: Well #: | | |
| City: | If filing a Form T-1 for multiple wells on a lease, enter the legal description of | | |
| Contact Person: | the lease below: | | |
| Phone: () Fax: () | | | |
| Email Address: | | | |
| Surface Owner Information: | | | |
| Name: | When filing a Form T-1 involving multiple surface owners, attach an additional | | |
| Address 1: | 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 | | |
| Address 2: county, and in the real estate property tax records of the county | | | |
| City: | | | |
| the KCC with a plat showing the predicted locations of lease roads, tank | dic Protection Borehole Intent), you must supply the surface owners and a batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted. | | |
| Select one of the following: | | | |
| owner(s) of the land upon which the subject well is or will be loce CP-1 that I am filing in connection with this form; 2) if the form the form; and 3) my operator name, address, phone number, fax, and I have not provided this information to the surface owner(s). I an KCC will be required to send this information to the surface owner(s). | cknowledge that, because I have not provided this information, the ner(s). To mitigate the additional cost of the KCC performing this | | |
| task, I acknowledge that I am being charged a \$30.00 handling If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP- | fee with this form. If the fee is not received with this form, the KSONA-1 | | |
| Submitted Electronically | | | |

| For KCC Use ONLY |
|------------------|
| API # 15 |

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

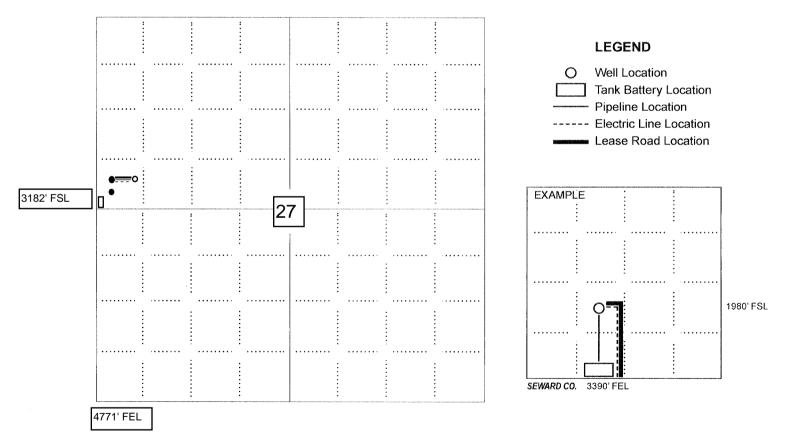
In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

| Operator: OWENS PETROLEUM, LLC | Location of Well: County: Woodson |
|--|--|
| Lease: Garberson | 3182 feet from N / X S Line of Section |
| Well Number: 40 | 4771 feet from X E / W Line of Section |
| Field: Vernon | Sec. 27 Twp. 23 S. R. 16 X E W |
| Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage: NE SW SW NW | Is Section: Regular or Irregular |
| | If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW |

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

Conservation Division Finney State Office Building 130 S. Market, Rm. 2078 Wichita, KS 67202-3802



Phone: 316-337-6200 Fax: 316-337-6211 http://kcc.ks.gov/

Sam Brownback, Governor

Mark Sievers, Chairman Ward Loyd, Commissioner Thomas E. Wright, Commissioner

July 29, 2011

Scott Owens Owens Petroleum LLC 1274 202ND RD YATES CENTER, KS 66783-5411

Re: Drilling Pit Application API 15-207-27816-00-00 Garberson 40 NW/4 Sec.27-23S-16E Woodson County, Kansas

Dear Scott Owens:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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.