

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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1060989

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 year | Sec Twp S. R E W | | |
| | | | |
| OPERATOR: License# | feet from E / W Line of Section | | |
| Name: | Is SECTION: Regular Irregular? | | |
| Address 1: | | | |
| City: State: Zip: + | (Note: Locate well on the Section Plat on reverse side) | | |
| Contact Person: | County. | | |
| Phone: | Lease Name: Well #: | | |
| CONTRACTOR: License# | Field Name: | | |
| Name: | is the different operation. | | |
| | raiget i officialistics). | | |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary line (in footage):feet MSL | | |
| Oil Enh Rec Infield Mud Rotary | | | |
| Gas Storage Pool Ext. Air Rotary | Water well within one-quarter mile: Public water supply well within one mile: Yes No | | |
| Disposal Wildcat Cable | Depth to bottom of fresh water: | | |
| Seismic;# of Holes Other | Depth to bottom of usable water: | | |
| Other: | Surface Pipe by Alternate: I II | | |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: | | |
| Oncortor | Length of Conductor Pipe (if any): | | |
| Operator: | P. C. LT. I.B. d | | |
| Original Completion Date: Original Total Depth: | - | | |
| Onginal Completion Date: Original rotal Deptin | Water Source for Drilling Operations: | | |
| Directional, Deviated or Horizontal wellbore? | 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? Yes No | | |
| | If Yes, proposed zone: | | |
| ΔΕ | FIDAVIT | | |
| The undersigned hereby affirms that the drilling, completion and eventual p | | | |
| It is agreed that the following minimum requirements will be met: | | | |
| Notify the appropriate district office <i>prior</i> to spudding of well; | | | |
| 2. A copy of the appropriate district office <i>prior</i> to spudding of well, | ch drilling rig: | | |
| 3. The minimum amount of surface pipe as specified below shall be se | t 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 | | | |
| , , , | strict office on plug length and placement is necessary <i>prior to plugging</i> ; | | |
| 5. The appropriate district office will be notified before well is either plug | ged or production casing is cemented in; ed from below any usable water to surface within 120 DAYS of spud date. | | |
| | 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 | e plugged. In all cases, NOTIFY district office prior to any cementing. | | |
| | | | |
| | | | |
| Submitted Electronically | | | |
| | Remember to: | | |
| For KCC Use ONLY | - File Certification of Compliance with the Kansas Surface Owner Notification | | |
| API # 15 | Act (KSONA-1) with Intent to Drill; | | |
| Conductor pipe requiredfeet | - File Drill Pit Application (form CDP-1) with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date; - File corregge attribution plot according to field progration orders: | | |
| | | | |
| Minimum surface pipe requiredfeet per ALT. | | | |
| | File acreage attribution plat according to field proration orders; Notify appropriate district office 48 hours prior to workover or re-entry: | | |
| Approved by: This authorization expires: | Prile acreage attribution plat according to field profation 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

_ Agent: _

 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.

| V | Well will not be drilled or Permit Expired | Date: |
|---|--|-------|
| S | Signature of Operator or Agent: | |

Side Two



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

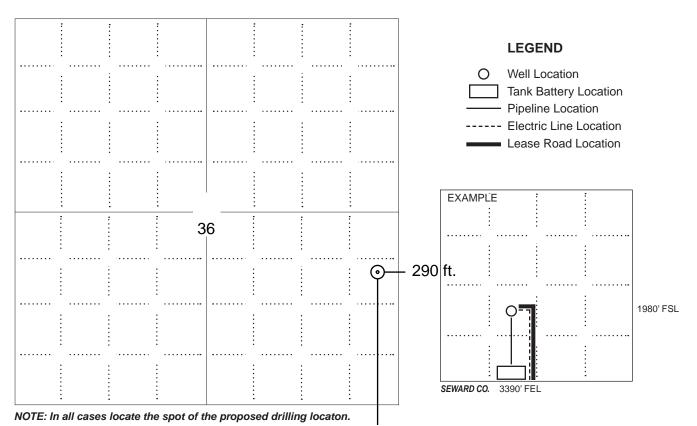
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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: Well Number: | feet from N / S Line of Section 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 |
| PLA Show location of the well. Show footage to the nearest leas | |

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.



1815 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

1060989

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 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 A | Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls) | | SecTwpRBastWest West Bast West West Line of Section Feet from East / West Line of Section County County mg/l (For Emergency Pits and Settling Pits only) |
| Is the bottom below ground level? | Artificial Liner? Yes N | 10 | How is the pit lined if a plastic liner is not used? |
| Pit dimensions (all but working pits):Length (feet) Depth from ground level to deepe | | | Width (feet) |
| If the pit is lined give a brief description of the li material, thickness and installation procedure. | ilei | | dures for periodic maintenance and determining scluding any special monitoring. |
| | | Depth to shallo Source of inforr | west fresh water feet. nation: |
| feet Depth of water well | feet | measured | well owner electric log KDWR |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Work | over and Haul-Off Pits ONLY: |
| Producing Formation: | | Type of materia | l utilized in drilling/workover: |
| Number of producing wells on lease: | | Number of worl | 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? Yes No | | · | e closed within 365 days of spud date. |
| Submitted Electronically | | | |
| | KCC | OFFICE USE O | NLY Liner Steel Pit RFAC RFAS |
| Date Received: Permit Num | ber: | Permi | t Date: Lease Inspection: Yes No |



Kansas Corporation Commission Oil & Gas Conservation Division

1060989

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 (| (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application) | | |
|--|--|--|--|
| OPERATOR: License # | Well Location: | | |
| Name: | | | |
| Address 1: | County: Well #: | | |
| City: State: Zip:+ | | | |
| Contact Person: | If filing a Form T-1 for multiple wells on a lease, enter the legal description of 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 treasurer. | | |
| City: State: Zip:+ | | | |
| the KCC with a plat showing the predicted locations of lease roads, tank are preliminary non-binding estimates. The locations may be entered of Select one of the following: I certify that, pursuant to the Kansas Surface Owner Notice A owner(s) of the land upon which the subject well is or will be I CP-1 that I am filing in connection with this form; 2) if the form form; and 3) my operator name, address, phone number, fax, a I have not provided this information to the surface owner(s). I a KCC will be required to send this information to the surface owner. | Act (House Bill 2032), I have provided the following to the surface ocated: 1) a copy of the Form C-1 or Form CB-1, the plat(s) required by this and email address. Acknowledge that, because I have not provided this information, the wner(s). To mitigate the additional cost of the KCC performing this gree, payable to the KCC, which is enclosed with the surface wind the surface ocated: 1). | | |
| 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 will be returned. | | |
| Submitted Electronically | | | |

HFI

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

August 08, 2011

Carl (Clay) Hughes Hughes Drilling Co, a General Partnership 122 NORTH MAIN WELLSVILLE, KS 66092-8522

Re: Drilling Pit Application HF 1 SE/4 Sec.36-14S-21E Johnson County, Kansas

Dear Carl (Clay) Hughes:

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.