For KCC Use:

| Effective | Date |
|-----------|------|
| | |

| Dict | rict | # | |
|------|------|---|--|

| SGA? | Yes | No |
|------|-----|----|
| SGA? | Yes | No |

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1361038

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: | Spot Description: |
|--|---|
| month day year | |
| OPERATOR: License# | feet from N / S Line of Section |
| Name: | feet from L E / W Line of Section |
| Address 1: | Is SECTION: Regular Irregular? |
| Address 2: | (Note: Locate well on the Section Plat on reverse side) |
| City: State: Zip: + | County: |
| Contact Person: | Lease Name: Well #: |
| Phone: | Field Name: |
| CONTRACTOR: License# | Is this a Prorated / Spaced Field? |
| Name: | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ; # of Holes Other Other: | 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: |
| | 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? |
| | 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. |
| Approved by: | |
| This authorization expires: | rted within 12 months of approval date.) |
| Spud date: Ag | ent: |

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.

ш

_ Well will not be drilled or Permit Expired Date: _ Signature of Operator or Agent: Side Two

1361038

Section corner used: NE NW SE SW

For KCC Use ONLY

API # 15 -____

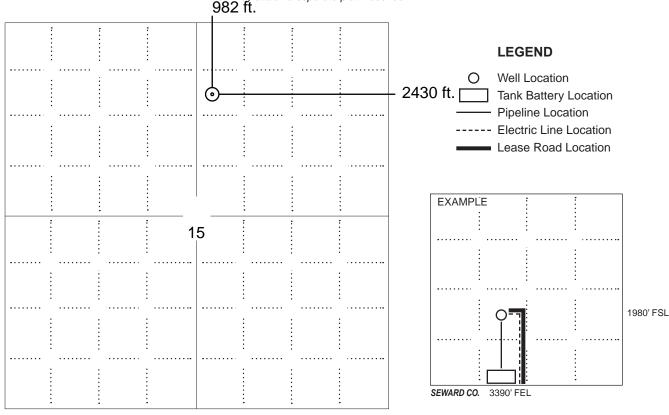
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

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. 982 ft.



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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION 1361038

Form CDP-1 May 2010 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: | | iomit în Duplicat | License Number: | |
|--|------------------------|--|---|------------------------------------|
| Operator Address: | | | | |
| Contact Person: | | | Phone Number: | |
| Lease Name & Well No.: | | Pit Location (QQQQ): | | |
| Type of Pit: | Pit is: | | | |
| Emergency Pit Burn Pit | Proposed | Existing | SecTwpR | |
| Settling Pit Drilling Pit | If Existing, date co | | | orth / South Line of Section |
| Workover Pit Haul-Off Pit | | | | st / West Line of Section |
| (If WP Supply API No. or Year Drilled) | Pit capacity: | (bbls) | Peet fromEast 7West Line of Section | |
| | | · · · · · | | • |
| Is the pit located in a Sensitive Ground Water A | .rea? | No | Chloride concentration: (For Emergency Pit | mg/l is and Settling Pits only) |
| Is the bottom below ground level? | Artificial Liner? | ٩o | How is the pit lined if a plastic line | er is not used? |
| Pit dimensions (all but working pits): | Length (fee | et) | Width (feet) | N/A: Steel Pits |
| Depth fro | om ground level to dee | epest point: | (feet) | No Pit |
| | | | | |
| Distance to nearest water well within one-mile of pit: Depth to shall Source of info | | west fresh water nation: | feet. | |
| feet Depth of water wellfeet measured | | well owner elec | ctric log KDWR | |
| Emergency, Settling and Burn Pits ONLY: Drilling, Workd | | ver and Haul-Off Pits ONLY: | | |
| Producing Formation: Type of materi | | Type of materia | al utilized in drilling/workover: | |
| Number of producing wells on lease: Nur | | Number of working pits to be utilized: | | |
| | | Abandonment p | procedure: | |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must | | Drill pits must b | ist be closed within 365 days of spud date. | |
| Submitted Electronically | | | | |
| KCC OFFICE USE ONLY Liner Steel Pit RFAC | | | | |
| Date Received: Permit Num | ber: | Permi | t Date: Lease Ir | nspection: Yes No |

| KANSAS CORPORA Oil & Gas Conse CERTIFICATION OF CO KANSAS SURFACE OWN | OMPLIANCE WITH THE Form must be Signed All blanks must be Filled |
|---|--|
| This form must be submitted with all Forms C-1 (Notice of T-1 (Request for Change of Operator Transfer of Injection of Any such form submitted without an accord Select the corresponding form being filed: C-1 (Intent) CB-1 (Ca | r Surface Pit Permit); and CP-1 (Well Plugging Application). npanying Form KSONA-1 will be returned. |
| OPERATOR: License # | Well Location:S. R East West County: Lease Name: Well #: If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below: |
| Surface Owner Information: Name: Address 1: Address 2: City: | 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. |

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 must provide the name and address of the surface owner by filling out the top section of this form and 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

I

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

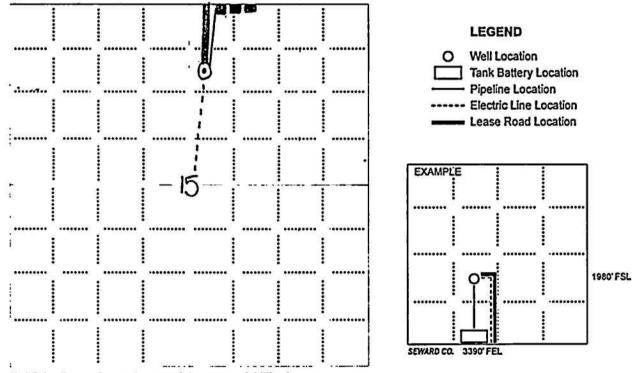
Side Two

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: Mike Kelso 011, | Inc. | | | Location of Well: County: Ness |
|---------------------------------------|------|-------------|---|--|
| Lease: FHW-Wierman | | | | 982 feet from N/ S Line of Section |
| Well Number: 15-1 | | | | 2430 feet from 🔀 E / 🗌 W Line of Section |
| Field: McGaughey | | | | Sec. 15 Twp. 175 S. R. 21 E X W |
| Number of Acres attributable to well: | | | | |
| QTR/QTR/QTR/QTR of acreage: | • | - | • | Is Section: Regular or Irregular |
| | | | | If Section is irregular, locate well from nearest corner boundary. |
| | | | | Section corner used: NEL NW SEL 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 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).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION

OIL & GAS CONSERVATION DIVISION

1321217

March 2009 Type or Print on this Form Form must be Signed All blanks must be Filled

Form CP-4

WELL PLUGGING RECORD K.A.R. 82-3-117

| OPERATOR: License #: | API No. 15 |
|---|--|
| Name: | Spot Description: |
| Address 1: | Sec Twp S. R East West |
| Address 2: | Feet from North / South Line of Section |
| City: State: Zip: + | Feet from East / West Line of Section |
| Contact Person: | Footages Calculated from Nearest Outside Section Corner: |
| Phone: () | NE NW SE SW |
| Type of Well: (Check one) Oil Well Gas Well OG D&A Cathodic Water Supply Well Other: SWD Permit #: SWD Permit #: SWD Permit #: ENHR Permit #: Gas Storage Permit #: Gas Storage Permit #: No Is ACO-1 filed? Yes No If not, is well log attached? Yes No Producing Formation(s): List All (If needed attach another sheet) Depth to Top: Bottom: T.D. | County: Well #: Lease Name: Well #: Date Well Completed: The plugging proposal was approved on: (Date) by: (KCC District Agent's Name) Plugging Commenced: Plugging Completed: |

Show depth and thickness of all water, oil and gas formations.

| Oil, Gas or Water Records | | Casing Record (Surface, Conductor & Production) | | | | |
|---------------------------|---------|---|------|---------------|------------|--|
| Formation | Content | Casing | Size | Setting Depth | Pulled Out | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

| Plugging Contractor License #: | | Name: | | | | | |
|-----------------------------------|--------------|------------|------------------------------|----------------------|--|--|--|
| Address 1: | | Address 2: | | | | | |
| City: | | State: | Zip: | + | | | |
| Phone: () | | | | | | | |
| Name of Party Responsible for Plu | ugging Fees: | | | | | | |
| State of | County, | , SS. | | | | | |
| | (Print Name) | Employee | of Operator or Operator on a | bove-described well, | | | |
| | | | | | | | |

being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

Conservation Division 266 N. Main St., Ste. 220 Wichita, KS 67202-1513

Pat Apple, Chairman Shari Feist Albrecht, Commissioner Jay Scott Emler, Commissioner



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

Sam Brownback, Governor

NOTICE

Nearest Lease or Unit Boundary Line

K.A.R. 82-3-108 provides that all oil and gas well locations must comply with setback requirements, unless an exception has been granted by the Commission. Depending upon whether the subject well is an oil well or gas well, and also depending upon the county in which the well is located, the setback may be 330 feet or 165 feet from the nearest lease or unit boundary.

This Intent to Drill ("C-1") form indicates that the distance between the well and the nearest lease or unit boundary will comply with the setback requirement. Accordingly, the C-1 has been approved. However, the C-1 also stated that the well location is very near a boundary line of a Section or a Quarter-Section. This notice is being sent as a courtesy reminder, in case an error was made on the C-1.

As the operator of the proposed well, you must independently verify that the proposed well location complies with the applicable regulatory setback. If at any time it should appear that a well does not comply with the regulatory setback, the well may be subject to being shut-in pending Commission approval of an application for a well location exception. In addition, if such an application is not granted by the Commission, you may be required to plug the well.

If the proposed well location will comply with the regulatory setback, this notice may be disregarded. Please contact the KCC Production Department with any questions or concerns.