

For KCC Use: 6-3007  
Effective Date: 3  
District # 3  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form C-1  
December 2002  
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

Expected Spud Date July 1, 2007  
month day year

OPERATOR: License# 3830 ✓  
Name: AX&P, Inc.  
Address: 20147 200 Rd  
City/State/Zip: Neodesha KS 66757  
Contact Person: J J Hanke  
Phone: 620 325 5212

CONTRACTOR: License# 33079  
Name: Patrick Tubbs

Well Drilled For:  Oil  Gas  OWD  Seismic: # of Holes  Other  
 Enh Rec  Storage  Disposal  Other  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  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 SE SE Sec. 29 Twp. 30 S. R. 16  East  West  
85 feet from  N /  S Line of Section  
65 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
Wilson

County: \_\_\_\_\_  
Lease Name: Unit 1 - Ellis Well # E36R - N  
Field Name: Neodesha

Is this a Prorated / Spaced Field?  Yes  No  
Target Information(s): Neodesha Sand  
Nearest Lease or unit boundary: 800'+ / 600' feet MSL  
Ground Surface Elevation: \_\_\_\_\_  
Water well within one-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No  
Depth to bottom of fresh water: 100'+  
Depth to bottom of usable water: 150'+  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 35' ✓  
Length of Conductor Pipe required: none ✓  
Projected Total Depth: 840' ✓  
Formation at Total Depth: Neodesha Sand ✓  
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: \_\_\_\_\_

Lease boundary map attached.

AFFIDAVIT

RECEIVED  
KANSAS CORPORATION COMMISSION

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:

JUN 25 2007

CONSERVATION DIVISION  
WICHITA, KS

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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 6/21/07 Signature of Operator or Agent: Proper [Signature] Title: Pres.

For KCC Use ONLY  
API # 15 - 205-27246-0000  
Conductor pipe required None feet  
Minimum surface pipe required 20 feet per Alt. **XO 2**  
Approved by: PH 6-25-07  
This authorization expires: 12-25-07  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.
- 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

Signature of Operator or Agent: \_\_\_\_\_  
Date: \_\_\_\_\_

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

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30  
10E

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>AX&amp;P, Inc.</b>		License Number: <b>3830</b>
Operator Address: <b>20147 CR 200 Neodesha, Ks 66757</b>		
Contact Person: <b>J.J. Hanke</b>		Phone Number: <b>(620 ) 325-5212</b>
Lease Name & Well No.: <b>Unit 1-Ellys # E36R-N</b>		Pit Location (QQQQ): <b>SE . SE . SE .</b>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" 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 checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>100</b> (bbis)	Sec. <b>29</b> Twp. <b>30</b> R. <b>16</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>85</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>65</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Wilson</b> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <b>20</b> Length (feet) <b>10</b> Width (feet)    _____ N/A: Steel Pits Depth from ground level to deepest point: <b>5</b> (feet)		
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.  <b>check pit level daily</b>
Distance to nearest water well within one-mile of pit <b>N/A</b> <b>1/2 mile</b> Depth of water well _____ feet		Depth to shallowest fresh water <b>100+</b> feet. Source of information: _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>fresh water</b> Number of working pits to be utilized: <b>one</b> Abandonment procedure: <b>backfill w topsoil</b> _____ Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<b>6/21/07</b> Date		<b>[Signature]</b> Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>6/25/07</b> Permit Number: _____    Permit Date: <b>6/25/07</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

15-205-27246000