

For KCC Use: 8-21-07
Effective Date: 3
District # 3
SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED
KANSAS CORPORATION COMMISSION

Form C-1

December 2002

AUG 13 2007

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 drilling
OIL & GAS CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date August 16 2007
month day year

OPERATOR: License# 31302
Name: Jones & Buck Development
Address: P.O. Box 68
City/State/Zip: Sedan, Kansas 67361
Contact Person: Thomas Oast
Phone: (620) 725 - 3636

CONTRACTOR: License# 5831
Name: MOKAT Drilling

Well Drilled For: ☒ Oil ☐ Gas ☐ OAWO ☐ Seismic; # of Holes ☐ Other
Well Class: ☒ Enh Rec ☐ Storage ☐ Disposal ☐ Other
Type Equipment: ☒ Infield ☐ Pool Ext. ☐ Wildcat ☐ Other
☐ 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 NE SW SW Sec. 5 Twp. 34 S. R. 12 ☒ East ☐ West
1064 feet from ☐ N / ☒ S Line of Section
4530 feet from ☒ E / ☐ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Chautauqua
Lease Name: Capps Well #: JBD - 05/10
Field Name: Peru - Sedan Oil & Gas

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Wayside Sandstone ☒ Yes ☐ No

Nearest Lease or unit boundary: 750'

Ground Surface Elevation: 893 est. 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: 200'

Depth to bottom of usable water: 225'

Surface Pipe by Alternate: ☐ 1 ☒ 2

Length of Surface Pipe Planned to be set: 40'

Length of Conductor Pipe required: _____

Projected Total Depth: 1100'

Formation at Total Depth: Nowata Shale

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.

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

Date: August 10, 2007 Signature of Operator or Agent: [Signature] Title: Geologist

For KCC Use ONLY

API # 15 - 019-26825-0000

Conductor pipe required None feet

Minimum surface pipe required 40 feet per Alt. 102

Approved by: [Signature]

This authorization expires: 2-16-08

(This authorization void if drilling not started within 6 months of approval 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

5 34 12E

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW*Plat of acreage attributable to a well in a prorated or spaced field*

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 019-26825-0000
 Operator: Jones & Buck Development
 Lease: Capps
 Well Number: JBD - 05/10
 Field: Peru - Sedan Oil & Gas

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NE - SW - SW

Location of Well: County: Chautauqua
1064 feet from ☐ N / ☒ S Line of Section
4530 feet from ☒ E / ☐ W Line of Section
 Sec. 5 Twp. 34 S. R. 12 ☒ East ☐ West

Is Section: ☒ Regular or ☐ Irregular

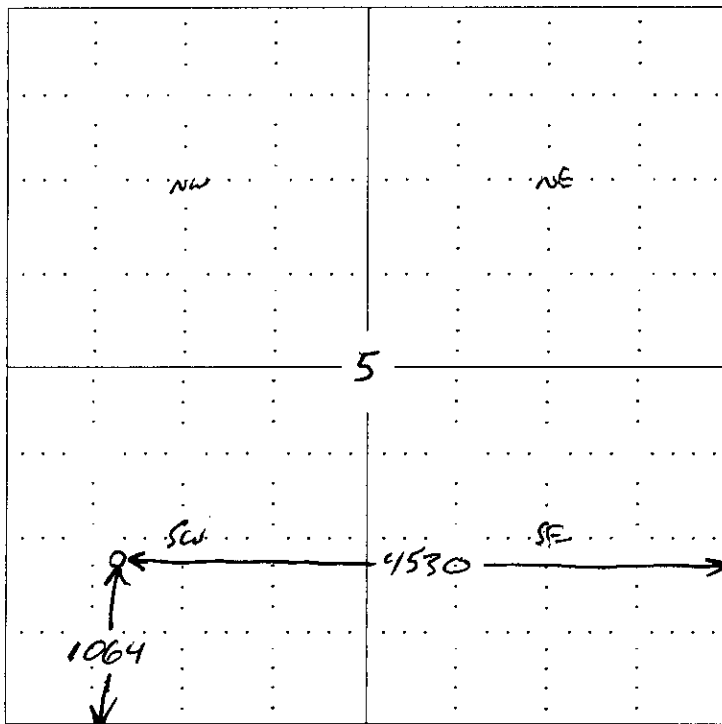
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

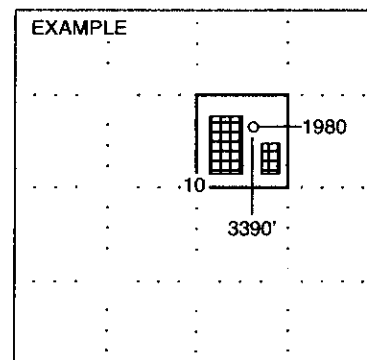


NOTE: In all cases locate the spot of the proposed drilling location.

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CONSERVATION DIVISION
WICHITA, KS



SEWARD CO.

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

AUG 13 2007

Form CDP-1

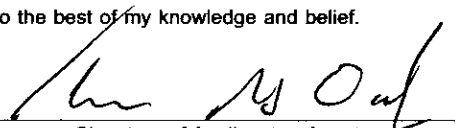
April 2004

Form must be Typed

APPLICATION FOR SURFACE PIT

CONSERVATION DIVISION
WICHITA KS

Submit in Duplicate

Operator Name: Jones & Buck Development		License Number: 31302	
Operator Address: P.O. Box 68 Sedan, Kansas 67361			
Contact Person: Thomas H. Oast		Phone Number: (620) 725 - 3636	
Lease Name & Well No.: Capps # JBD - 05/10		Pit Location (QQQQ): NW - NE - SW - SW Sec. 5 Twp. 34 R. 12 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1064 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 4530 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Chautauqua County	
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 (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 300 (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? Native Clays	
Pit dimensions (all but working pits): 40 Length (feet) 12 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 8 (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.	
Distance to nearest water well within one-mile of pit 3800 feet Depth of water well 100 feet		Depth to shallowest fresh water 35 feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ electric log _____ 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: Air, Fresh & Salt Water Number of working pits to be utilized: one Abandonment procedure: Allow fluids to evaporate, cover pits, restore location 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. August 10, 2007 Date  Signature of Applicant or Agent			

KCC OFFICE USE ONLY

Date Received: **8/13/07** Permit Number: _____ Permit Date: **8/16/07** Lease Inspection: ☐ Yes ☒ No

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

15-019-26825-0000