

**Gas Storage Area -  
Blowout Preventer Required**

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION**

**NOTICE OF INTENT TO DRILL**

Must be approved by KCC five (5) days prior to commencing well

**Blowout Preventer Required**

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use:  
Effective Date: 12-16-07  
District #: 3  
SGA?  Yes  No

Expected Spud Date 12-13-07  
month day year

OPERATOR: License# 32887  
Name: Endeavor Energy Resources, LP  
Address: PO Box 40  
Delaware, OK 74027  
City/State/Zip:  
Contact Person: Joe Driskill  
Phone: 918-467-3111

CONTRACTOR: License# 33072  
Name: Well Refined Drilling

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input checked="" type="checkbox"/> Other: Well to be drilled w/air to 400' then mud to TD		

If OWWO: old well information as follows:  
Operator: NA  
Well Name: NA  
Original Completion Date: NA Original Total Depth: NA

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: NA  
Bottom Hole Location: NA  
KCC DKT #: NA

Spot SW NW Sec. 9 Twp. 34 S. R. 17  East  West  
1980 feet from  N /  S Line of Section  
660 feet from  E /  W Line of Section

Is SECTION  Regular  Irregular?

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

County: Montgomery  
Lease Name: Fred Muller Well #: 9-3  
Field Name: Coffeyville

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Weir - Pittsburg Coal

Nearest Lease or unit boundary: 660

Ground Surface Elevation: 746.3' 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: 20'

Depth to bottom of usable water: 20' / 150'

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor Pipe required: NA

Projected Total Depth: 750'

Formation at Total Depth: Mississippi

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: 12-6-07 Signature of Operator or Agent: Joe Driskill Title: Operations Superintendent

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**For KCC Use ONLY**  
API # 15 - 125-31490-0000  
Conductor pipe required None feet  
Minimum surface pipe required 250 feet per Alt. XO 2  
Approved by: fw 12-11-07  
This authorization expires: 12-11-08  
(This authorization void if drilling not started within 12 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

9 34 17E

**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 - 12531490000  
Operator: Endeavor Energy Resources, LP  
Lease: Fred Muller  
Well Number: 9-3  
Field: Coffeyville  
Number of Acres attributable to well: 160  
QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ NW

Location of Well: County: Montgomery  
1980 feet from  N /  S Line of Section  
660 feet from  E /  W Line of Section  
Sec. 9 Twp. 34 S. R. 17  East  West

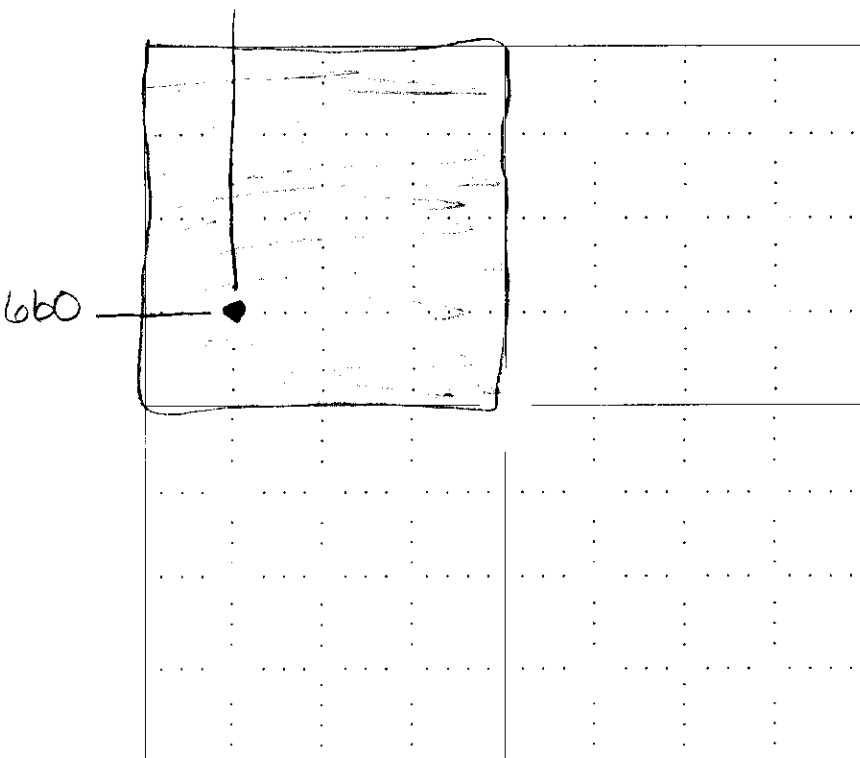
Is Section:  Regular or  Irregular

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

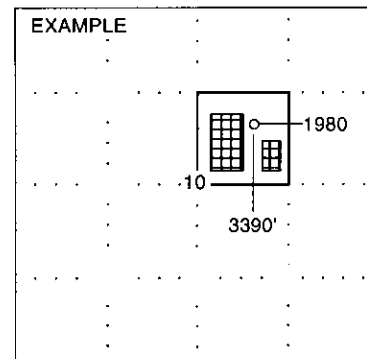
Section corner used:  NE  NW  SE  SW

**PLAT**

1980 (Show location of the well and shade attributable acreage for prorated or spaced wells.)  
(Show footage to the nearest lease or unit boundary line.)



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SEWARD CO.

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


**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: (CO-7 for oil wells; CG-8 for gas wells).

**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>Endeavor Energy Resources, LP</b>		License Number: <b>32887</b>
Operator Address: <b>PO BOX 40 Delaware, OK 74027</b>		
Contact Person: <b>Joe Driskill</b>		Phone Number: ( <b>918</b> ) <b>467 - 3111</b>
Lease Name & Well No.: <b>Fred Muller 9-3</b>		Pit Location (QQQQ): <u>                    SW                    </u> NW
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: _____ (bbls)	Sec. <u>9</u> Twp. <u>34S</u> R. <u>17</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>1980</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>660</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Montgomery</b> _____ County
Is the pit located in a Sensitive Ground Water Area? <input 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? <b>natural clay / earth</b>
Pit dimensions (all but working pits): <u>30</u> Length (feet) <u>10</u> Width (feet)    _____ N/A: <b>Steel Pits</b> Depth from ground level to deepest point: <u>6</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>NA</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>NA</b>
Distance to nearest water well within one-mile of pit <u>unknown</u> feet    Depth of water well <u>unknown</u> feet		Depth to shallowest fresh water <u>unknown</u> feet. Source of information: _____ measured    _____ well owner <input checked="" type="checkbox"/> electric log    _____ 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: <u>mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>haul off and dispose</u> _____ 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>RECEIVED</b> <b>DEC 10 2007</b> <b>KCC WICHITA</b>
12-6-07 Date	 Signature of Applicant or Agent	
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>12/10/07</u> Permit Number: _____ Permit Date: <u>12/10/07</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-12531490-0220

To: Joe Driskill

P.3 6a-h  
Fred Muller 9-3

15-125-31490-0000

K-2228

(918) 467

3113

OIL AND GAS LEASE AND GAS STORAGE AGREEMENT

MODIFICATION

WHEREAS, a certain Oil and Gas Lease and Gas Storage Agreement was entered into by and between Union Gas System, Inc., as Lessee, and Arch DeGee r and Faye I. DeGeer, his Wife

as Lessors, dated November 2, 1959 and recorded in Book 66, Dist., Page 22, in the office of the Register of Deeds of Montgomery County, Kansas, covering all or a portion of the following described lands in said county and state, to-wit:

The Northwest Quarter (NW/4) of Section 9, Township 34 South, Range 17 East

AND, WHEREAS, the parties desire to make certain modifications to the said Oil and Gas Lease and Gas Storage Agreement as set forth herein;

NOW, THEREFORE, for and in consideration of the covenants contained herein, it is agreed by and between the Lessor (or the Lessor's successors, or assigns, hereinafter named) and the Lessee, that the said Oil and Gas Lease and Gas Storage Agreement be modified insofar as the same applies to the lands hereinabove described in the following particulars, to-wit:

A. GAS STORAGE PROVISIONS

1. Gas Storage Rental. Lessee shall have the continuing right to conduct gas storage operations on the said lands pursuant to the Oil and Gas Lease and Gas Storage Agreement, but the annual rental shall be increased from \$1 per annum per acre to \$3.45 per annum per acre effective for payments due on or after July 1, 1984, and each year thereafter the storage rental shall be increased by 15 cents per acre per annum effective July 1 of each year beginning in the year 1985.

2. Gas Storage Zone. The gas storage rights of the Lessee shall include all surface rights and subsurface rights granted by the said Oil and Gas Lease and Gas Storage Agreement to a depth of 50 feet below the bottom of the geological formation known as Squirrel Sandstone. The subsurface to a depth of 50 feet below the bottom of the Squirrel Sandstone shall hereinafter be referred to as the Gas Storage Zone.

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Union Gas Sys.  
Larry Tarant  
Box 347, Independence

ORIGINAL COMPARED WITH RECORD

STATE OF KANSAS } SS 9<sup>th</sup>  
MONTGOMERY COUNTY }

This instrument was filed for record on the 25 day of Feb. A.D., 1985 at 8:30 o'clock A. M. and duly recorded in book 64 of Misc. page 276

*[Signature]*  
By NORA STEINBERGER Deputy

15-125-31490-0000

3. Gas for Domestic Purposes. So long as Union Gas System, Inc., shall conduct gas storage operations on and under the land hereinabove described, Union Gas System, Inc., shall pay for gas used for domestic purposes in the principal residence of the Lessor located on said land and supplied under regular rural main line domestic contract made by Union Gas System, Inc., or with any other supplier rendering such service. It is the intention of the parties that Union Gas System, Inc., shall pay for all gas so used, without express limitation as to quantity. It is provided, however, that to prevent waste and loss, Union Gas System, Inc., shall retain the right to meter and gauge the gas so used. In the event of waste or other loss resulting from leaks or deficiencies in Lessor's service lines or equipment, Union Gas System, Inc., may by written notice to Lessor require that such leak be repaired or deficiency remedied, and should Lessor fail to repair or remedy such condition, Union Gas System, Inc., shall have the right to repair or remedy at the cost of Lessor. Lessor recognizes that the supply of natural gas is subject to varying pressures, failure, freeze-offs, line breaks, and other interruptions of service, and agrees that failure of such supply for any reason shall in no way operate to invalidate this Agreement. In the event, for any reason, it appears impractical or impossible to obtain a supply of gas from Union Gas System, Inc., or any other supplier, or in the event that the Lessor does not maintain a residence on said land, then in lieu of providing gas for domestic purposes, Union Gas System, Inc., shall pay, in addition to the Gas Storage Rental provided for above, the sum of \$1.00 per acre per annum payable on the anniversary date of the Oil and Gas Lease and Gas Storage Agreement referred to hereinabove, at the same time and manner in which the Gas Storage Rental is paid.
4. Right of Gas Purchase. If gas is produced from below the Gas Storage Zone while Lessee is conducting gas storage operations on the said land, whether the gas is produced by Lessee during the term of its Oil and Gas Lease rights, or thereafter by Lessor, its successors, assigns, or subsequent lessees, Union Gas System, Inc., shall have the right to purchase such gas at its established pipe lines at the prevailing price paid for gas in the general vicinity of said lands.
5. Surface Use. In the event that Union Gas System, Inc., shall subsequently require the permanent use or occupancy of any additional portion of the lands subject to this Agreement for the construction, erection, or installation of surface facilities for the conduct of gas storage operations, Union Gas System, Inc., shall pay Lessor the market value of the surface so used or occupied.
6. Protective Covenants. The parties acknowledge that due care and caution must be exercised in drilling and conducting oil and/or gas production operations from formations under or above the Gas Storage Zone. During the term of Lessee's Oil and Gas Lease rights, and thereafter should drilling or production operations

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15-125 31490-000

be conducted by the Lessor, its successors, assigns, or subsequent lessees, the party undertaking such operations (Operator) shall perform the following acts:

- a. Operator shall deliver to Union Gas System, Inc., a copy of Kansas Notice of Intent to Drill no less than five (5) days prior to spudding in any well;
- b. Operator shall not drill any well within 440 feet of gas storage wells of Union Gas System, Inc.;
- c. Operator shall grant free access to Union Gas System, Inc., to the well site and the drilling platform during the conduct of any operations for the purpose of inspections;
- d. Operator shall set and cement surface casing to a depth of 250 feet below the surface and maintain good industry standards of operation at all times;
- e. Operator shall immediately install and use a blowout preventer upon the surface pipe before drilling below the surface casing;
- f. If in testing for oil or gas the gas storage zone is penetrated, Operator shall set production casing of not less than 4 1/2 inches diameter to a depth not less than 50 feet below the base of the Squirrel Sandstone, and shall circulate cement to the surface.
- g. Operator shall perform Gamma Ray/Neutron and Cement Bond logs from Total Depth to Surface and promptly furnish Union Gas System, Inc., with two field and two final correct copies of each, as well as two copies of the operator's log and the KCC Completion Forms.
- h. Operator shall notify Union Gas System, Inc., at its Independence, Kansas, office three (3) days in advance of commencing well completion or workover operations of any sort as well as the methods to be employed therein; Operator shall also furnish Union a copy of Kansas Notice of Intent to Abandon Well five (5) days in advance of commencing plugging operations, and, subsequent to plugging, furnish Union a copy of Affidavit of Plugging

#### B. OIL AND GAS LEASE PROVISIONS:

1. Continuing Term. Lessee shall have the continuing Oil and Gas Lease rights to explore, prospect, drill, develop, operate, produce, and save oil, gas and other hydrocarbons for a primary term of three (3) years from the date hereof, and as long thereafter as oil, gas, or other hydrocarbons are produced in paying quantities. Upon expiration of the Oil and Gas Lease rights, the oil and gas rights below the Gas Storage zone shall revert to Lessor, subject to Lessee's

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