

Gas Storage Area-
Blowout Preventer Required

within boundaries of #
Liberty Gas Storage Field

* Gas Storage Area *

Gas Storage Area-
Blowout Preventer Required

Form C-1

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date 12-10-07
month day year

Spot East
 West
SW NW Sec. 11 Twp. 34 S. R. 17

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

1850 feet from N / S Line of Section
330 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

CONTRACTOR: License# 33072
Name: Well Refined Drilling

County: Labette
Lease Name: Sleepy Hollow Well #: 11-1
Field Name: Coffeyville

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Weir - Pittsburg Coal
Nearest Lease or unit boundary: 330

Well Drilled For: Oil Gas OAWO Seismic Other
Well Class: Enh Rec Storage Disposal Wildcat Other
Type Equipment: Infield Pool Ext Wildcat Other
 Mud Rotary Air Rotary Cable
Well to be drilled w/air to 400' then mud to TD

Ground Surface Elevation: 770.6' feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 20'
Depth to bottom of usable water: 20-100'
Surface Pipe by Alternate: 1 2

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

Length of Surface Pipe Planned to be set: 40'
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:

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 07 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 casing 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: 11-30-07 Signature of Operator or Agent: Joe Driskill Title: Operations Superintendent

For KCC Use ONLY
API # 15 - 099-24244-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. 2
Approved by: Rum 12-11-07
This authorization expires: 12-11-08
(This authorization void if drilling not started within 1/2 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

11-34-17E

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 - 099-24244-0000
Operator: Endeavor Energy Resources, LP
Lease: Sleepy Hollow
Well Number: 11-1
Field: Coffeyville
Number of Acres attributable to well: 80
QTR / QTR / QTR of acreage: _____ - SW - NW

Location of Well: County: Labette
1850 feet from N / S Line of Section
330 feet from E / W Line of Section
Sec. 11 Twp. 34 S. R. 17 East West

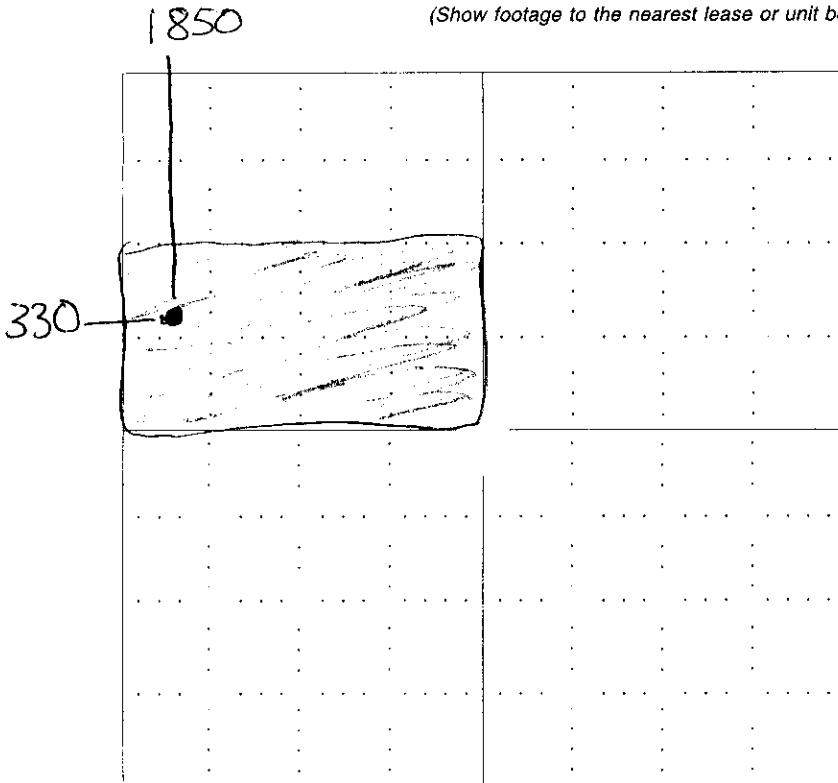
Is Section: Regular or Irregular

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

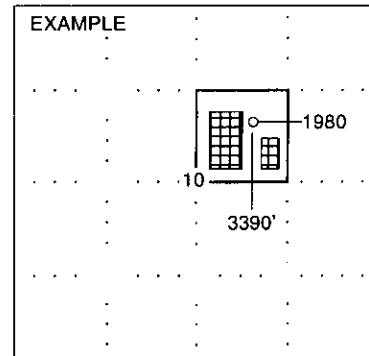
Section corner used: NE NW SE SW

PLAT

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



RECEIVED
KANSAS CORPORATION COMMISSION
DEC 07 2007
CONSERVATION DIVISION
WICHITA, KS



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: (C0-7 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: Endeavor Energy Resources, LP		License Number: 32887
Operator Address: PO BOX 40 Delaware, OK 74027		
Contact Person: Joe Driskill		Phone Number: (918) 467 - 3111
Lease Name & Well No.: Sleepy Hollow 11-1		Pit Location (QQQQ): _____ - _____ - SW - NW Sec. 11 Twp. 34S R. 17 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1850 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 330 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Labette 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 <small>(If W/P 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)	
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? natural clay / earth
Pit dimensions (all but working pits): <u>30</u> Length (feet) <u>10</u> Width (feet) _____ N/A: Steel Pits 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. NA		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA
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
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: <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.		
_____ 11-30-07 _____ Date		 Signature of Applicant or Agent

**RECEIVED
KANSAS CORPORATION COMMISSION
DEC 07 2007**

**CONSERVATION DIVISION
WICHITA, KS**

15-099-24244-0000
CCC-HHCHE-660-S

KCC OFFICE USE ONLY			
Date Received: <u>12/7/07</u>	Permit Number: _____	Permit Date: <u>12/2/07</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

15-099-24244-000



FAX COVER

PLEASE DELIVER IMMEDIATELY

RECEIVED

DEC 10 2007

KCC WICHITA

TO: BRUCE LOCKE

FAX: _____

COMPANY: ENDEAVOR

FROM: MATT FRIHART

FAX: (615) 790 - 9337

COMPANY: _____

DATE: 9-29-07

TIME: 11:00 AM

NUMBER OF PAGES INCLUDING COVER SHEET 12

IF YOU HAVE ANY QUESTIONS CONCERNING THIS FAX, PLEASE CALL

(615) 595 - 7700

REQUIREMENTS ON P.5

5 (a) - (t)

SLEEPY HOLLOW STORAGE LEASE

- URGENT
- FOR REVIEW
- PLEASE COMMENT
- PLEASE REPLY
- PLEASE RECYCLE

15-099-24244-000
K-2284

GAS STORAGE LEASE

THIS LEASE (the "Lease"), entered into this 25th day of July, 19 86 by and between Sleepy Hollow Ranch, Inc. (hereinafter called "Lessor"), first party, and Union Gas System, Inc., a Kansas corporation, (hereinafter called "Lessee"), second party.

WITNESSETH:

1. Lessor hereby grants and leases to the Lessee for the purpose of developing and conducting gas storage operations, from the surface down to a depth of fifty (50) feet below the geological formation and gas storage reservoir known as the Squirrel Sand or a depth of 200 feet below the base of the Oswego limestone, whichever is greater, on the following described land, to-wit:

The Northwest 1/4 of Section 11, Township 34, Range 17, Labette County, Kansas

(hereinafter referred to as the "Leased Acreage"), and containing 1.60 acres more or less. Lessor does hereby lease to the Lessee, all of the Leased Acreage, however described, owned by the Lessor which lie in the section or sections herein specified and all Leased Acreage and interests therein contiguous to or appurtenant to the Leased Acreage owned or claimed by the Lessor, and in the event any appurtenant parcel of Leased Acreage not now owned by the Lessor, lying within the external limits of or across the Leased Acreage leased herein, or adjacent

4.05/AC

RECEIVED
DEC 10 2007
KCC WICHITA

15-099-24244-0000

-5-

to provide a supply of gas or in the event that the Lessor does not maintain a residence on the Leased Acreage, then in lieu of providing gas for domestic purposes, Lessee shall pay, in addition to the gas royalty and storage rental, the aggregate sum of \$1.00 per acre per annum payable at the same time and manner in which the gas royalty and storage rental is paid.

5. The parties acknowledge that due care and caution must be exercised in drilling and conducting oil and/or gas production operations from formations above and below the gas storage reservoir. Should drilling or production operations be conducted by the Lessor, its successors, assigns, or lessees, the party undertaking such operations agrees as follows:

- a. To deliver to Lessee a copy of Kansas Notice of Intent to Drill no less than five (5) days prior to commencement of drilling operations and to indicate proposed depth and zones of interest;
- b. To drill with chemical mud only, except for areas outside of the active part of the gas storage reservoir, and only with the written permission of Lessee;
- c. To not drill any well within 400 feet of gas storage wells of Lessee;
- d. To grant free access to Lessee to the well site and the drilling platform during the conduct of any operations for the purpose of inspections;
- e. To immediately install and use a blow out preventer upon the surface pipe before drilling below the surface casing;
- f. To supply daily drilling and progress reports to Lessee;
- g. To run open hole compensated density and induction electrical logs on all wells drilled and provide copies to Lessee.
- h. To take ten foot drill cutting samples from 200 feet to total depth.

RECEIVED
DEC 10 2007

KCC WICHITA

15-099-24244-000

-6-

- i. If requested by Lessee to take a core from the gas storage reservoir, at Lessee's expense.
- j. To set production casing of not less than 4 1/2 inch diameter to a depth not less than 50 feet below the base of the Squirrel Sand or a depth of 200 feet below the Oswego Limestone, whichever is greater, and circulate cement to the surface or plug the well within 24 hours by placing a continuous cement plug from total depth to surface.
- k. To place centralizers on the production casing straddling the gas storage reservoir to ensure an even cement sheath over the gas storage reservoir during completion.
- l. To run a cement bond log on all wells completed to verify the integrity of the cement bond particularly in the vicinity of the gas storage reservoir and to supply a copy of the cement bond log to Lessee.
- m. To provide Lessee with copies of the drilling permit, drillers log, open and cased hole logs, geology reports, gas analyses, core reports, Kansas Corporation Commission completion report and any other pertinent information where applicable.
- n. To notify Lessee 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; to also furnish Lessee a copy of Kansas Notice of Intent to Abandon Well five (5) days in advance of commencing plugging operations, unless well is plugged within 24 hrs. of reaching total depth, and, subsequent to plugging, furnish Lessee a copy of Affidavit of Plugging.
- o. To provide Lessee the option to take possession of, at operators salvage value, any abandoned well or wells.
- p. To not complete any wells in the gas storage reservoir.
- q. To provide Lessee, prior to gas sales, a copy of the gas analysis, shut-in pressure, gas flow test and perforation intervals.
- r. To shut-in and squeeze or plug to the satisfaction of Lessee, any wells that are proven to be in direct communication with the gas storage formation.
- s. To furnish Lessee, upon request, the following:
 - (i) all drilling samples, cores, or other cuttings, and copies of all reports of analyses thereof;

RECEIVED

DEC 10 2007

KCC WICHITA

15099-242440000

-7-

(ii) copies of all drill stem or production test reports.

t. To run a Gamma Ray/Neutron log from Total Depth to Surface and promptly furnish Lessee with two field and two final correct copies.

5. During the term of this lease, Lessee shall have the right to enter upon the Leased Acreage for the purpose of inspection and to conduct plugging operations of such abandoned oil and gas wells as may impair the integrity of the gas storage reservoir.

6. All sums hereafter payable under the Lease are to be made or tendered to the credit of Lessor's agent _____, in the

_____ or its successors, which financial institution is also Lessor's agent and shall continue as the depository of any and all sums payable hereunder. All payments or tenders may be made by check or draft of Lessee or any assignee thereof, mailed or delivered on or before the annual gas royalty and storage rental paying date. No forfeiture for non-payment of such annual gas royalty and storage rental shall be had until after fifteen (15) days' written notice by Lessor to Lessee at its Independence, Kansas office during which time Lessee shall have the right to make the payment then in default, and thus continuing this Lease in good standing and in full force and effect. The first annual gas royalty and storage rental covers not only the privileges granted for one year to the date when the next gas royalty and storage rental is payable, but also the Lessee's option of extending that period as aforesaid, and any and all other rights

RECEIVED
DEC 10 2007

KCC WICHITA