

For KCC Use:
 Effective Date: 12-24-07
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1

October 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 well

Expected Spud Date: 12 13 07
 month day year

OPERATOR: License# 34019
 Name: Us Energy LLC
 Address 1: 20 lakeview St.
 Address 2:
 City: Garnett State: Ks. Zip: 66032
 Contact Person: Jim Good
 Phone: 661-599-0303

CONTRACTOR: License# 34798 33977
 Name: Ensminger/Kimzey EK Energy LLC

Well Drilled For: Oil Gas
 Enh Rec Storage Disposal
 Seismic; # of Holes
 Other:
 If OWWO: old well information as follows:

Well Class: Infield Pool Ext. Wildcat Other

Type Equipment: Mud Rotary Air Rotary Cable

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 Description:
SE - nw - ne - sw Sec. 19 Twp. 27 S. R. 22 E W
 (a/a/a/a) 2,228 feet from N / S Line of Section
 1,940 feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: Bourbon
 Lease Name: Shireman Well #: 3-aa
 Field Name: unknown

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Tucker
 Nearest Lease or unit boundary line (in footage): 1940
 Ground Surface Elevation: 1037 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: 50 ft.
 Depth to bottom of usable water: 100 ft.

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 20 ft.

Length of Conductor Pipe (if any):
 Projected Total Depth: 700 ft.
 Formation at Total Depth: Tucker

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 with **KANSAS CORPORATION COMMISSION** **RECEIVED** **KANSAS CORPORATION COMMISSION**
 It is agreed that the following minimum requirements will be met:

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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 correct to the best of my knowledge and belief.

Date: 12-5-07 Signature of Operator or Agent: Jim Good Title: W.O.

For KCC Use ONLY
 API # 15: 011-23339-0000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: Jan 12-19-07
 This authorization expires: 12-19-08
 (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 (within 60 days);
- 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 Date: Signature of Operator or Agent:

19
27
22
 E
 W

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 - 011-23339-0000
Operator: Us Energy LLC
Lease: Shireman
Well Number: 3-aa
Field: unknown

Location of Well: County: Bourbon
2,228 feet from N / S Line of Section
1,940 feet from E / W Line of Section
Sec. 19 Twp. 27 S. R. 22 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: nesw - nw - ne - sw

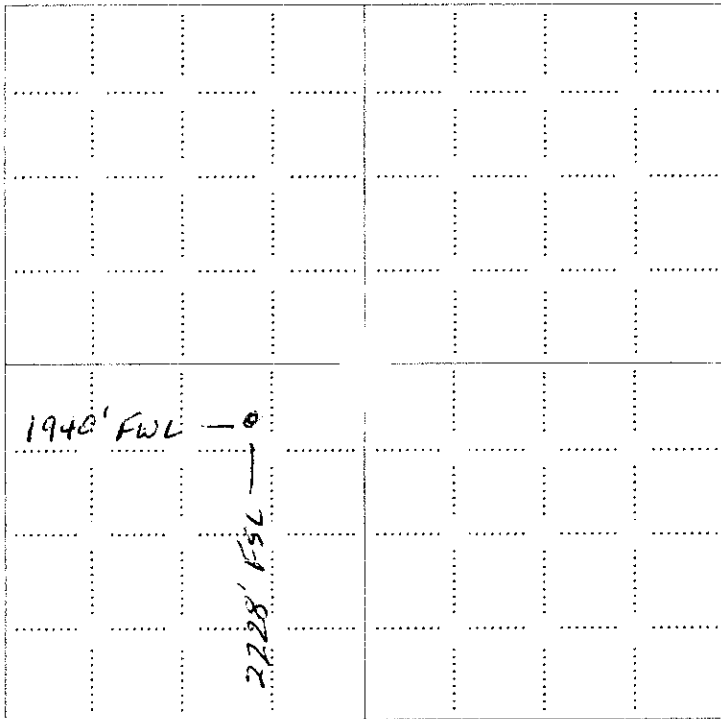
Is Section: Regular or Irregular

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.)



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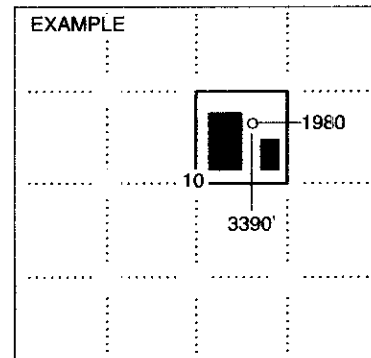
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NOTE: In all cases locate the spot of the proposed drilling location.


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 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: (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: Us Energy LLC		License Number: 34019	
Operator Address: 20 lakeview St.		Garnett	Ks. 66032
Contact Person: Jim Goad		Phone Number: 661-599-0303	
Lease Name & Well No.: Shireman 3-aa		Pit Location (QQQQ): SE nesw . nw . ne . sw	
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 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 (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 type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		Sec. <u>19</u> Twp. <u>27</u> R. <u>22</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>2,228</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1,940</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Bourbon _____ County	
Pit dimensions (all but working pits): <u>20</u> Length (feet) <u>8</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet) <input type="checkbox"/> No Pit			
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.	
		RECEIVED KANSAS CORPORATION COMMISSION DEC 10 2007 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit <u>na</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: <u>air dry backfill</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.		RECEIVED KANSAS CORPORATION COMMISSION DEC 19 2007 CONSERVATION DIVISION WICHITA, KS	
Date: <u>12-13-07</u>		Signature of Applicant or Agent: 	
KCC OFFICE USE ONLY			
Date Received: <u>12/19/07</u>		Permit Number: _____	
Permit Date: <u>12/19/07</u>		Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

15-01-23339-000

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