

CORRECTED

\* Operator CORRECTED 3-13-08

For KCC Use: 3-9-08
Effective Date:
District #:
SGA? [X] 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: March 10, 2008
month day year

\* OPERATOR: License# 34089
Name: Agricultural Energy Services, Inc.
Address 1: PO Box 1040
Address 2:
City: Liberal State: KS Zip: 67901
Contact Person: Montgomery Escue
Phone: 407-721-5062
CONTRACTOR: License# 5147
Name: Beredco Drilling

Spot Description:
C S/2 SE Sec. 15 Twp. 33 S. R. 33 [ ] E [X] W
660 feet from [ ] N / [X] S Line of Section
1320 feet from [X] E / [ ] W Line of Section
Is SECTION: [X] Regular [ ] Irregular?

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

County: Seward
Lease Name: Peters Well #: 2-15
Field Name: Evelyn-Condit
Is this a Prorated / Spaced Field? [ ] Yes [X] No
Target Formation(s): Morrow

Well Drilled For: [ ] Oil [X] Gas [ ] Enh Rec [ ] Storage [ ] Disposal [ ] Seismic; # of Holes [ ] Other
Well Class: [X] Infield [ ] Pool Ext. [ ] Wildcat [ ] Other
Type Equipment: [X] Mud Rotary [ ] Air Rotary [ ] Cable

Nearest Lease or unit boundary line (in footage): 660'
Ground Surface Elevation: 2833' feet MSL
Water well within one-quarter mile: [X] Yes [ ] No
Public water supply well within one mile: [ ] Yes [X] No
Depth to bottom of fresh water: 410
Depth to bottom of usable water: 560
Surface Pipe by Alternate: [X] I [ ] II
Length of Surface Pipe Planned to be set: 1700'
Length of Conductor Pipe (if any): None
Projected Total Depth: 6470
Formation at Total Depth: St. Louis

Operator:
Well Name:
Original Completion Date: Original Total Depth:
Directional, Deviated or Horizontal wellbore? [ ] Yes [X] No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Water Source for Drilling Operations:
[X] Well [ ] Farm Pond [ ] Other:
DWR Permit #:
Note: Apply for Permit with DWR [X]
Will Cores be taken? [ ] Yes [X] No
If Yes, proposed zone:

\* WAS: Operator SOSS CH Todd, Inc
IS: Operator 34089 Agricultural Energy Services, Inc.

AFFIDAVIT

PRORATED & SPACED: HUBBARD

RECEIVED KANSAS CORPORATION COMMISSION

MAR 13 2008

CONSERVATION DIVISION WICHITA, KS

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 correct to the best of my knowledge and belief.

Date: 3/11/08 Signature of Operator or Agent: [Signature]

For KCC Use ONLY
API # 15 - 175-22133-00-00
Conductor pipe required None feet
Minimum surface pipe required 580 feet per ALT. [X] I [ ] II
Approved by: [Signature]
This authorization expires: 3-4-09
(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:

15 33 33 [ ] E [X] W

<sup>Operator</sup>  
**CORRECTED**

**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 - 175-22133-0000

Operator: Agricultural Energy Services, Inc.  
Lease: Peters  
Well Number: 2-15  
Field: Evelyn-Condit

Location of Well: County: Seward  
~~4980~~ 660 feet from  N /  S Line of Section  
~~800~~ 1320 feet from  E /  W Line of Section  
Sec. 15 Twp. 33 S. R. 33  E  W

Number of Acres attributable to well: 160  
QTR/QTR/QTR/QTR of acreage: C - W/2 - NE - SE

Is Section:  Regular or  Irregular

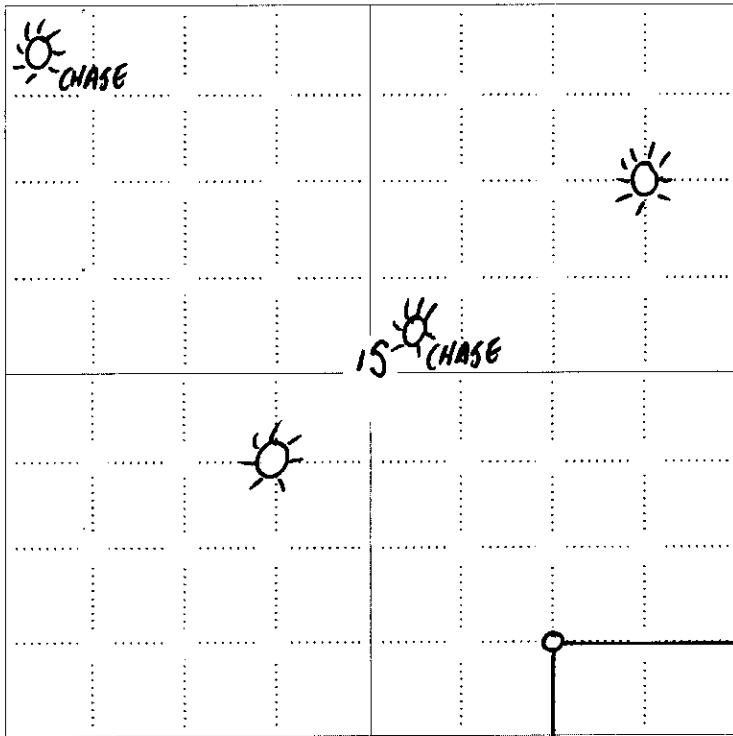
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

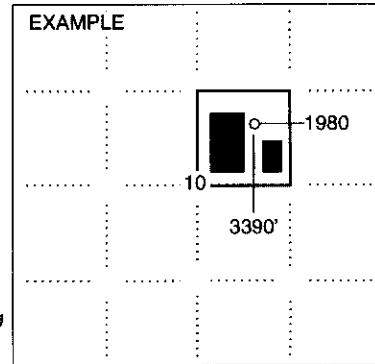
**PLAT**

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

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



*This section is unitized for gas*



SEWARD CO.

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MAR 13 2008

**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).

CONSERVATION DIVISION  
WICHITA, KS

*# CORRECTED*

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

*# Operator*  
**CORRECTED**  
Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: Agricultural Energy Services, Inc.		License Number: 34089	
Operator Address: PO Box 1040		Liberal KS 67901	
Contact Person: Montgomery Escue		Phone Number: 407-721-5062	
Lease Name & Well No.: Peters 2-15		Pit Location (QQQQ): C S/2 SE Sec. 15 Twp. 33 R. 33 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,320 Feet from <input type="checkbox"/> East / <input type="checkbox"/> West Line of Section Seward 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 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)		
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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): 100 Length (feet) 100 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (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. <b>RECEIVED</b> KANSAS CORPORATION COMMISSION MAR 13 2008 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit 1,320 feet Depth of water well 410 feet	Depth to shallowest fresh water 180 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> 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: Fresh Water Number of working pits to be utilized: 1 Abandonment procedure: Haul off water after well is drilled. Let pit dry and back fill. 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.			
3-12-08 Date		<i>James</i> for Agricultural Energy Services Signature of Applicant or Agent	
<b>KCC OFFICE USE ONLY</b>			
Date Received: 3/13/08 Permit Number:		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>	
Permit Date: 3/13/08 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

15-175-22133-0000