| For KCC Use:    | 6-7-OP  |
|-----------------|---------|
| Effective Date: | 3       |
| District #/     | <u></u> |
| 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

| Specific Sport Date:   Specific Date:   Specific Sport Date:   Specific Sport Date:   Specific                             | Must be approved by NCC live  | (3) days prior to commencing well   |              |
|---|---|---|--------------|
| Active is 1, 2002   1, 2003   1, 2004   1, 2005   1, 2                            | Expected Spud Date:   |   | -            |
| OPERATOR. Licenses  3/3 / 2  Name_Bloss Energy. Inc.  Address 2; 1800 E. 22nd Street North, Busing 300 Soits 200  Address 3; 1800 E. 22nd Street North, Busing 300 Soits 200  Address 3; 1800 E. 22nd Street North, Busing 300 Soits 200  Count, Michael W. Dixon  Plones—Street-Michael W. Dixon  Read Dixon-Michael W. Dixon  Read Dixon-Michael W. Dixon  Read Dixon-Michael W. Dixon  Plones—Street-Michael W. Dixon  Read Dixon-Michael W. Dixon  Read Dixon  Re                          | month day year  |   |              |
| Name _ Doon Entropy, Inc.  Address 1: \$100 E. 2and Sevent North, Building 300 Suite 200    Safeting 1: \$100 E. 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 200   Safeting 2: 2and Sevent North, Building 300 Suite 2: 2and Sevent Sevent North, Building 300 Suite 2: 2and Sevent North, Building 300 Suite 3: 2and Sevent North, Building 3: 2and Sev                        | 3372  | teet from X N / S Line of Sect  | on           |
| Address 2: 8/06 E. 22nd Street North, Building 200 State 200  State X5 Zpt 67228 + Chry. Wate   |   | leet from Let / W Line of Sect  | on           |
| Address 2:  Contact Person. Michael W. Dixon  Profess. 3418-246-232  For Patron. 2418-264-232  For Patron. 2418-264-264-264-264-264-264-264-264-264-264   | Address 1 8100 E. 22nd Street North, Building 300 Suite 200                                     | Is SECTION: Regular X Irregular?  |              |
| County. Kingmen  Contact Person. Michael W. Dison  Floore. \$15.078. Licenses \$15.078  In the All Process of Street Helias  Well Dilling For. Well Class. Type Equipment.  Well Dilling For. Well Class. Type Equipment.  Solven Floore. Solven Research Street Floore. Solven Research Solven                         | <del></del>   | (Note: Locate well on the Section Plat on reverse side)   |              |
| Contact Person   Michael W. Discon   Lase Name   Set   Y   Set                              |   |   |              |
| Floor   Side-344-9622   Floor   Flore   Floor   Floor   Floor   Floor   Floor   Floor   Floor   Flor                            | Contact Person: Micheal W. Dixon  | Lease Name: Rolf *A" Well #- 2  |              |
| South   Control   Conductor   Pipe                               | Phone:316-264-9632  | Field Name: W.C   |              |
| Name   Protest Defining   Prot                            | •   | In this a Brorated / Spaced Field?  |              |
| Nearest   Lease or unit boundary line (in footage);   Section   Section   Nearest   Lease or unit boundary line (in footage);   Section   Nearest   Lease or unit boundary line (in footage);   Section   Nearest   Lease or unit boundary line (in footage);   Section   Nearest   Lease or unit boundary line (in footage);   Section   Nearest   Near                            |   |   |              |
| Ground Surface Elevation: M. 4 Received Surface Place by Alternate: More and the surface Place by Alternate More and the Alternate Place By Alternate More and the surface By Alternate More                          | Name.   | Also root I gone or unit houndary line (in footage): 980'   | _            |
| Water well within one-quarter mile:   Yes   No   No   Art Rotary   Cable   Disposal   Will Come   Public water supply well within one mile:   Yes   No   Depth to bottom of tresh water:   150   Depth to                            | Well Drilled For: Well Class: Type Equipment:   | Nearest Lease of this boundary line (in lootage).   | <br>C1       |
| Sasmac   Fool Et.   Wildcard   Cable                            | XOil ✓ ☐ Enh Rec ☐ Infield X Mud Rotary ✓   | <b>□</b> □  |              |
| Seismic   |   |   |              |
| Depth to bottom of usable water: 180'  Surface Pipe by Alemate.   |   |   | NO           |
| Surface Pipe by Allemate Signature (See and proved note)  Surface Pipe Pilanned to be set: 250' Length of Surface Pipe Pilanned to be set: 250' Length of Surface Pipe Pilanned to be set: 250' Mell Name: Original Completion Date: Original Completion Date: Original Completion Date: Original Completion Date: Original Total Depth: Projected Total Depth: 4900' Projected Total Depth: 4900' Projected Total Depth: 4900' Water Sough for Drilling Operations: Wetter Apply for Permit with DWR Water Sough for Drilling Operations: Wetter Apply for Permit with DWR Water Sough for Drilling Operations: Wetter Apply for Permit with DWR Water Sough for Drilling Operations: Wetter Apply for Permit with DWR Water Sough for Drilling Operations: Wetter Apply for Permit with DWR Water Apply for Permit with DWR Wa                          | Seismic ; # of Holes Other  |   |              |
| Length of Surface Pipe Planned to be set: 250"   Length of Conductor Pipo (if any): No Projected Total Depth: 4000   Formation at                             | Other:  |   |              |
| Department  |   | Surface Pipe by Allernate: XII III  |              |
| Department  | If OWWO: old well information as follows:   | Length of Surface Pipe Planned to be set: 250   |              |
| Well Name: Original Completion Date: Original Total Depth:    Projected Total Depth: Arbudale   | Operator:   | Length of Conductor Pipe (if any).  | <del></del>  |
| Original Completion Date:   |   | Projected Total Depth: 4900'  | _            |
| Water Square for Prilling Operations:   Water Square for Prilling Operation:   Water Square for Prilling Operation or Prilling Operation Operation or Prilling Operation Operation Operation Operation Operation Operation Operation Operation Operation Operat                            |   | Formation at Total Depth: Arbuckle  | _            |
| If Yes, true vertical depth:    DWR Permit #:   (Note: Apply for Permit with DWR  |   |   |              |
| Received   Note: Apply for Permit with DWR   Yes   No   | Directional, Deviated or Horizontal wellbore? Yes No  | Well Farm Pond Other:   |              |
| AFFIDAVIT  The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.  **RECEIVED**  KANSA CORPORATION COMMISSION**  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 appropriate district office *prior* to spudding of well;  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*SNSERVATION DIVISION** WICHITA, KS  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 or milk knowledge and belief.  President  **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 sall water.  If this permit has proval before disposing or injecting sall water.  If this permit has proval before disposing or injecting sall water.  If this permit has proval before disposing or injecting sall water.  If this permit has proval before disposing or injecting sall water.  If this permit has                           |   |   |              |
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| 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 various 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:  For KCC Use ONLY  API # 15   | 2. A copy of the approved notice of intent to drill shall be nosted on each                     | drilling rig:   |              |
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| I hereby certify that the statements made herein are true and correct to the best of my knowledge and beingt.  Date: 5-30-08  Signature of Operator or Agent: President  Title: President  Title: President  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 filed 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 authorization void if drilling not started within 12 months of approval date.)  Well Not Orlilled - Permit Expired Date:  | 6. If an ALTERNATE II COMPLETION, production pipe shall be cemented                             | of from below any usagle water to surface within 120 DAYS of Spud date.   |              |
| President   Pres                            | Or pursuant to Appendix "B" - Eastern Kansas surface casing order #15                           | plugged In all cases NOTIFY district office prior to any cementing  |              |
| For KCC Use ONLY  API # 15  |   |   |              |
| Signature of Operator or Agent:   Title:  | I hereby certify that the statements made herein are true and correct to the be                 |   |              |
| For KCC Use ONLY  API # 15  | 5-30-08   | Title: President  |              |
| For KCC Use ONLY  API # 15  | Date: Signature of Operator of Agent:   |   |              |
| API # 15  |   | Remember to:  |              |
| Conductor pipe required   | For KCC Use ONLY  | <ul> <li>File Drill Pit Application (form CDP-1) with Intent to Drill;</li> </ul>   |              |
| Conductor pipe required   | API # 15 - 095 - 22151-000  |   | Lu           |
| Minimum surface pipe required   | None  | , and the second se  | 0            |
| Approved by: Full 6-2-08  This authorization expires: 6-2-09 (This authorization void if drilling not started within 12 months of approval date.)  - 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: m  Signature of Operator or Agent:  | 2-C   |   | 1            |
| Approved by:  | Minimum surface pipe requiredfeet per ALT.  |   |              |
| This authorization expires: Check the box below and return to the address below.  (This authorization void if drilling not started within 12 months of approval date.)  Well Not Drilled - Permit Expired Date:   |   | <ul> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> </ul>   | 1            |
| (This authorization void if drilling not started within 12 months of approval date.)  Well Not Drilled - Permit Expired Date:   | Approved by: <b>Lut</b> 6-2-08  | <ul> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> <li>Obtain written approval before disposing or injecting salt water.</li> </ul>  | 10           |
| Signature of Operator or Agent:   | Approved by: Lut 6-2-08  This authorization expires: 6-2-09                                     | <ul> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> <li>Obtain written approval before disposing or injecting salt water.</li> <li>If this permit has expired (See: authorized expiration date) please</li> </ul>   | 10           |
| Spud date: Agent: Signature of Operator or Agent.   | Approved by: Lut 6-2-08  This authorization expires: 6-2-09                                     | <ul> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> <li>Obtain written approval before disposing or injecting salt water.</li> <li>If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.</li> </ul>  |              |
|   | Approved by: Lut 6-2-08  This authorization expires: 6-2-09                                     | <ul> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> <li>Obtain written approval before disposing or injecting salt water.</li> <li>If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.</li> <li>Well Not Orilled - Permit Expired Date:</li> </ul> |              |

### 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 - 095- 22151-0000          |  |
|---------------------------------------|--|
| Operator: Dixon Energy, Inc.          | Location of Well: County: Kingman                                  |
| Lease: Rolf "A"                       | 1,450 feet from N / S Line of Section                              |
| Well Number: 2                        | 980 feet from E / X W Line of Section                              |
| Field: W.C                            | Sec. <u>18 Twp.</u> <u>30</u> S. R. <u>10</u> E X W                |
| Number of Acres attributable to well: | Is Section: Regular or IX Irregular                                |
| QTR/QTR/QTR/QTR of acreage:           |  |
|                                       | If Section is Irregular, locate well from nearest corner boundary. |
|                                       | Section corner used: NE NW SE SW                                   |

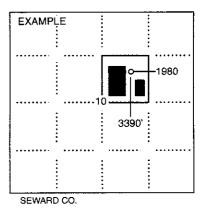
PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

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RECEIVED KANSAS CORPORATION COMMISSION

MAY 3 0 2008

CONSERVATION DIVISION WICHITA, KS



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

#### 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: (C0-7 for oil wells; CG-8 for gas wells).

### KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

# APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: Dixon Energy, Inc.  |                       |   | License Number: 3372  |         |
|--|-----------------------|---|---|---------|
| Operator Address: 8100 E. 22nd Street North, Building 300 Suite 200                    |                       |   | Wichita KS 67226  |         |
| Contact Person: Micheal W. Dixon   |                       | Phone Number: 316-264-9632  |   |         |
| Lease Name & Well No.: Rolf "A"  | 2                     | · · · · · ·   | Pit Location (QQQQ):  |         |
| Type of Pit:   | Pit is:               | *****   | NW NE SW NW   |         |
| Emergency Pit Burn Pit   | Proposed              | Existing  | Sec. 18 Twp. 30 R. 10 East West   |         |
| Settling Pit Prilling Pit  | If Existing, date co  | onstructed:   | 1,450 Feet from North / South Line of Section                             |         |
| Workover Pit Haul-Off Pit  | Pit capacity:         |   | 980 Feet from East / X West Line of Section                               |         |
| (If WP Supply API No. or Year Drilled)   | ги сараску.           | (bbls)  | Kingman County  |         |
| Is the pit located in a Sensitive Ground Water   | Area? Yes             | No  | Chloride concentration: mg/l  (For Emergency Pits and Settling Pits only) |         |
| Is the bottom below ground level?  Yes No  | Artificial Liner?     | No  | How is the pit lined if a plastic liner is not used?                      |         |
| Pit dimensions (all but working pits):   | 0 Length (fe          | et)50   | Width (feet) N/A: Steel Pits  |         |
| Depth fr   | om ground level to de | epest point:  | 5 (feet) No Pit   |         |
|  |                       |   |   | 156-280 |
| Distance to nearest water well within one-mile   | e of pit              | •   | west fresh water80feet.   | ξ       |
| 50urce of inf  |                       |   | 7   |         |
| Emergency, Settling and Burn Pits ONLY:  |                       | Drilling, Work  | over and Haul-Off Pits ONLY:  | 8       |
| Producing Formation: Type of materi  Number of producing wells on lease: Number of wor |                       | rial utilized in drilling/workover: Drilling Mud  orking pits to be utilized: 2 |   |         |
|  |                       |   |   |         |
| Does the slope from the tank battery allow all flow into the pit? Yes No               | spilled fluids to     | Drill pits must   | be closed within 365 days of spud date.  RECEIV  KANSAS CORPORATION       |         |
| I hereby certify that the above state  | ements are true and o | correct to the bes  | t of my knowledge and belief. MAY 30                                      | 2008    |
| 5-30-08<br>Date  | $\mathcal{H}$         |   | CONSERVATION WICHITA, 1   |         |
|  | KCC                   | OFFICE USE O  | NLY Steel Pit RFAC RFAS   |         |
| Date Received: 5 3 08 Permit Num   |                       | Perm  |   |         |



Kathleen Sebelius, Governor Brian J. Moline, Chair Michael C. Moffet, Commissioner Robert E. Krehbiel, Commissioner

June 2, 2008

Mr. Michael W. Dixon Dixon Energy, Inc. 8100 E 22<sup>nd</sup> St North Bldg 300 Ste 200 Wichita, KS 67226

Re:

Drilling Pit Application Rolf A Well No. 2 NW/4 Sec. 18-30S-10V

NW/4 Sec. 18-30S-10W Kingman County, Kansas

Dear Mr. Dixon:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level, and **all pits must be lined with bentonite**. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to **Drill**. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely.

Kathy Haynes /

Erlyironmental Protection and Remediation Department

cc: File