

For KCC Use: 62408  
 Effective Date: 3  
 District #: 3  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

Form C-1  
 December 2002  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

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

Expected Spud Date: 6/23/2008  
month day year

OPERATOR: License# 32912  
 Name: Carroll Energy, LLC  
 Address: 200 Arco Place, Suite 230, Box 149  
 City/State/Zip: Independence, KS 67301  
 Contact Person: Terry Carroll Jr.  
 Phone: (620) 332-1600  
 CONTRACTOR: License# 33374  
 Name: L & S Well Service, LLC

Spot: SW SE NE SE Sec. 9 Twp. 29S S. R. 15E  East  West  
2280 feet from  N  S Line of Section  
960 feet from  E  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section First on reverse side)  
 County: Wilson  
 Lease Name: REED Well #: 9-D2  
 Field Name: Fredonia  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Cherokee Coals  
 Nearest Lease or unit boundary: 360'  
 Ground Surface Elevation: 991 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: 100'+  
 Depth to bottom of usable water: 300+150  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 20'  
 Length of Conductor Pipe required: \_\_\_\_\_  
 Projected Total Depth: 1200'  
 Formation at Total Depth: Mississippi  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_

Well Drilled For:  Oil  Enh Rec  Intels  Mud Rotary  
 Gas  Storage  Pool Ext.  Air Rotary  
 OWWO  Disposal  Wildcat  Cable  
 Seismic; # of Holes \_\_\_\_\_  Other \_\_\_\_\_  
 Other \_\_\_\_\_

If OWWO: old well information as follows:  
 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 #: \_\_\_\_\_

(Note: Apply for Permit with OWR   
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

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**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:

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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 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: 06/17/2008 Signature of Operator or Agent: [Signature] Title: Land Manager

For KCC Use ONLY  
 API # 15 - 205-27575-0000  
 Conductor pipe required: None feet  
 Minimum surface pipe required: 20 feet per Alt. X 2  
 Approved by: [Signature]  
 This authorization expires: 6-19-09  
 (This authorization void if drilling not started within 6 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  
 29  
 15E

### 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.

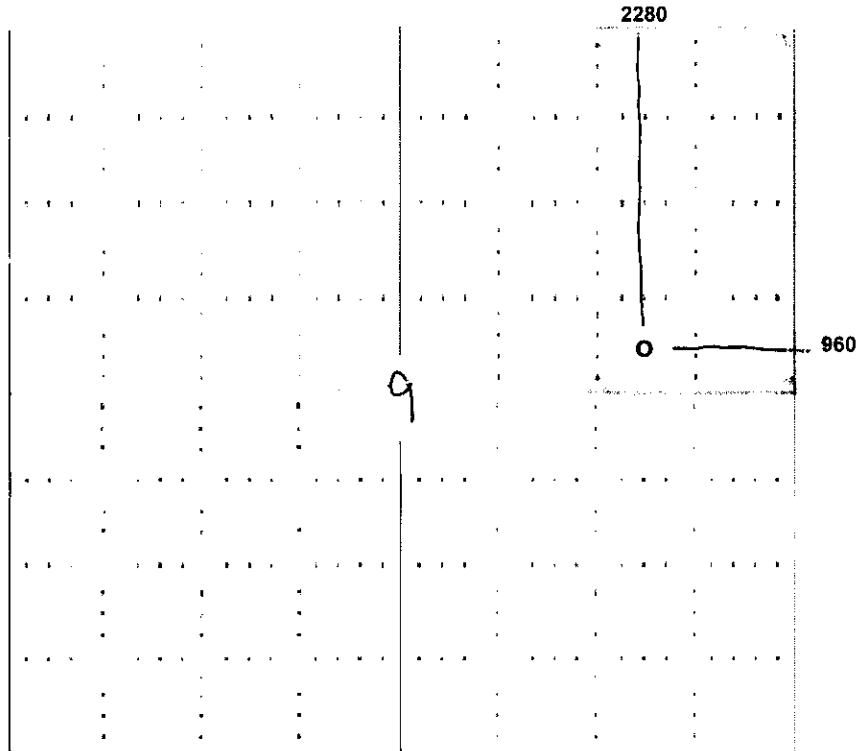
API No. 15 - **205-27575-0000**  
Operator **Carroll Energy, LLC**  
Lease **REED**  
Well Number **9-D2**  
Field **Fredonia**

Number of Acres attributable to well: **80**  
QTR / QTR / QTR of acreage **SW · SE · NE**

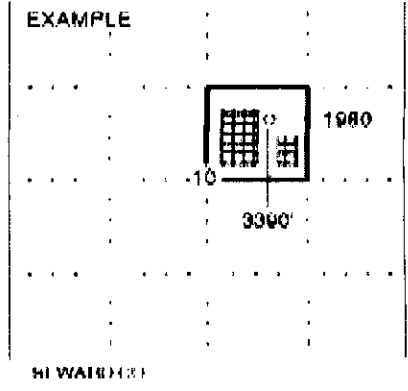
Location of Well: County **Wilson**  
feet from **2280**  N  E  Line of Section  
feet from **960**  E  W  Line of Section  
Sec **9** Twp **29S** S. R. **15E**  East  West  
Is Section  Regular or  Irregular  
If Section is irregular, locate well from nearest corner boundary.  
Section corner used  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.)



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

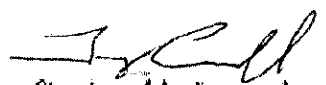
#### In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines (e.g. 1 section, 1 section with 4 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, CO-8 for gas wells)

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

Form CGF-1  
April 2004  
Forms must be Typed

Submit in Duplicate

Operator Name Carroll Energy, LLC	License Number 32912
Operator Address 200 Arco Place, Suite 230, Box 149, Independence, KS 67301	
Contact Person Terry Carroll Jr.	Phone Number ( 620 ) 332-1600
Lease Name & Well No. REED 9-D2	Pit Location (QQQQ) C . SW . SE . NE Sec 9 Top 29S R 15E [X] East [ ] West 2280 Feet from [X] North / [ ] South Line of Section 960 Feet from [X] East / [ ] West Line of Section Wilson County
Type of Pit Emergency Pit [ ] Burn Pit [ ] Settling Pit [X] Drilling Pit [ ] Workover Pit [ ] Haul-Off Pit [ ] (if WVP Supply API No or Year Drilled)	Pit is Proposed [ ] Existing [ ] If Existing, date constructed Pit capacity 300 (bbls)
Is the pit located in a Sensitive Ground Water Area? [ ] Yes [X] No	Chloride concentration NA mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? [X] Yes [ ] No	How is the pit lined if a plastic liner is not used? CLAY
Artificial Liner? [ ] Yes [X] No	
Pit dimensions (all but working pits) Length (feet) 20 Width (feet) 8 Depth from ground level to deepest point 5 (feet)	N/A: Steel Pits
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.
Distance to nearest water well within one-mile of pit feet      Depth of water well      feet	Depth to shallowest fresh water 20 feet Source of information: measured      well owner      electric log      KLPWR
Emergency, Settling and Burn Pits ONLY: Producing Formation Number of producing wells on lease Barrels of fluid produced daily	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: FRESH WATER Number of working pits to be utilized 1 Abandonment procedure: AIR DRY
Does the slope from the tank battery allow all spilled fluids to flow into the pit? [ ] Yes [ ] No	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	
06/17/2008 Date	 Signature of Applicant or Agent

15805-275 75000

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Date Received 6/18/08 Permit Number \_\_\_\_\_ Permit Date: 6/18/08 Lease Inspection [ ] Yes [X] No

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

**ADOBE FILL-IN FORM ON INTERNET**

FORM DATE

General Administrative

- 09/2005 ■ License Application OPL-1
- 04/2004 ■ Request for Change of Operator; Transfer of Injection or Surface Pit Permit T-1

Well Permitting

- 10/2007 ■ Notice of Intent to Drill C-1 Please use updated form on future filings.
- 04/2004 ■ Application for Surface Pit CDP-1
- 12/1993 ■ Cathodic Protection Borehole Intent to Drill CB-1

Well Completion Reports and Other Well Application

- 09/1999 ■ Well Completion Form ACO-1
- 09/2005 ■ Commingling Application ACO-4
- 05/1988 ■ Dual Completion Report ACO-5
- 09/2005 ■ Well Location Exception Application Check List ACO-17
- 09/2005 ■ Venting-Flaring of Gas ACO-18
- 09/2005 ■ Extended Gas Venting Affidavit CG-3
- 09/2005 ■ Coalbed Natural Gas Venting Affidavit CG-4
- 10/2004 ■ Temporary Abandonment Application CP-111
- 09/2003 ■ Verified Affidavit For Vacuum Operations V-1

Surface Pits and Waste Transfer

- 04/2004 ■ Application for Surface Pit CDP-1
- 04/2004 ■ Closure of Surface Pit CDP-4
- 04/2004 ■ Exploration and Production Waste Transfer CDP-5

Well Plugging Report

- 09/2003 ■ Well Plugging Application CP-1
- 12/2003 ■ Well Plugging Record CP-4
- 08/2003 ■ Seismic Hole Affidavit

Oil & Gas Well Testing Report

- 10/1996 ■ Oil Productivity Test & GOR Report C-5
- 10/1996 ■ Multi-Point Back Pressure Test CG-1
- 07/2003 ■ One Point Stabilized Open Flow or Deliverability Test G-2

Gas Gathering Report

- 04/1998 ■ Gas Gathering Report GG-1
- 04/1998 ■ Gas Gathering Segment Report GG-1a

Oil and Gas Producer's Report

- 06/1989 ■ Summary of Oil Producers Report CO-8, CO-8A
- 08/2000 ■ Gas Producer/Purchaser Monthly Report CG-7, CG-7A

Acreage Attribution and Well Spacing Report

- 12/1994 ■ Oil Acreage Attribution Plat CO-7
- 12/1994 ■ Gas Acreage Attribution Plat CG-8
- 05/1989 ■ Application for Well Spacing ACO-7

New Pool and Certificate of Enhancement Projects (Severance Tax Exemptions) Request

- 10/2005 ■ New Pool Determination-Discovery Allowable ACO-16
- 10/1999 ■ Application for Enhanced Recovery Project Certification CER-1, and Calculation Sheet Base Production Calculation and Certification CER 1-A

Underground Injection Control Report

- 07/2003 ■ UIC Application U-1
- 07/2003 ■ Annual Report U3-C. This form is required on an annual basis due each March 1.
- 07/2003 ■ Notice of Injection (of commencement or termination of injection) U-5
- 07/2003 ■ Application to Amend Injection Order U-8
- 07/2003 ■ Notice to Modify Injection Order U-9

Wireline Service

- 08/2003 ■ Monthly Wireline Service Company Report MWSC-1