

For KCC Use: 7-6-08
Effective Date: 3
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: July 1 2007
month day year

OPERATOR: License# 33874
Name: Custer Oil & Gas, LLC
Address 1: Post Office Box 628
Address 2:
City: Barnsdall State: OK Zip: 74002
Contact Person: Norma Pinney
Phone: 918-847-2531
CONTRACTOR: License# 5675
Name: McPherson Drilling Company

Well Drilled for: Oil Gas
 Enh Rec Storage Disposal
 Seismic; # of Holes Other: Injection Well
 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 SW NE
SE SW NE Sec. 12 Twp. 34 S. R. 13 E W
(Q/Q/Q) 1,950 feet from N / S Line of Section
960 / 1780 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: Montgomery
Lease Name: Fobian Well #: 32
Field Name: Red Sand
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Red Sand

→ Nearest Lease or unit boundary line (in footage): 860
Ground Surface Elevation: 781.3 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: none / 100
Depth to bottom of usable water: none / 175
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 40'
Length of Conductor Pipe (if any): none
Projected Total Depth: 560
→ Formation at Total Depth: 520 / Red Sand

Water Source for Drilling Operations:
 Well Farm Pond Other: Rick's Tank Truck
DWR Permit #: 159972
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone:

AFFIDAVIT

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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 correct to the best of my knowledge and belief.

Date: 6-17-08 Signature of Operator or Agent: Norma Pinney Title: Agent

For KCC Use ONLY
API # 15 - 125-31705-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT. I II
Approved by: Ruma 7-1-08
This authorization expires: 7-1-09
(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: E W
Signature of Operator or Agent:

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

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WICHITA, KS

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 - 125-31705-0000
 Operator: Custer Oil & Gas, LLC
 Lease: Fobian
 Well Number: 32
 Field: Red Sand

Location of Well: County: Montgomery
 1,950 feet from N / S Line of Section
 1,780 feet from E / W Line of Section
 Sec. 12 Twp. 34 S. R. 13 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - SE - SW - NE

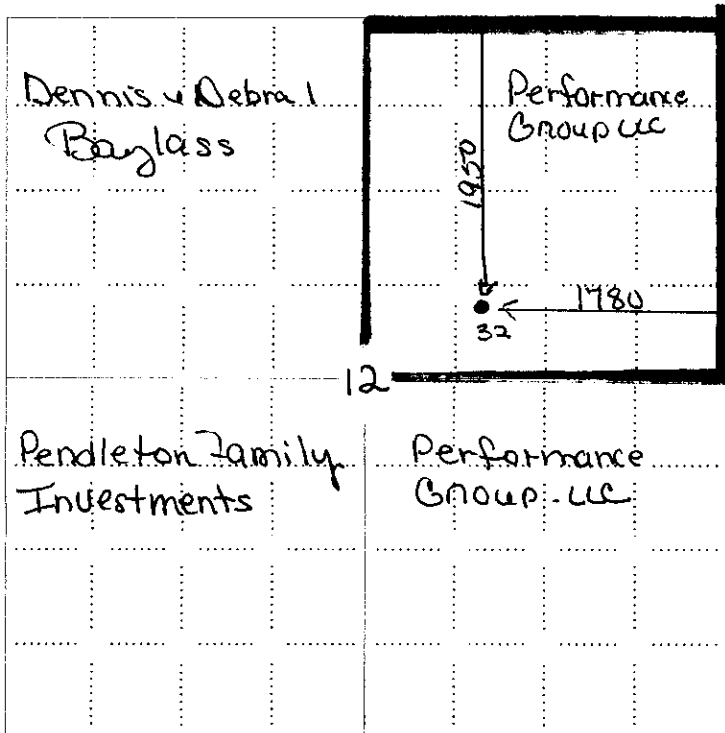
Is Section: Regular or Irregular

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

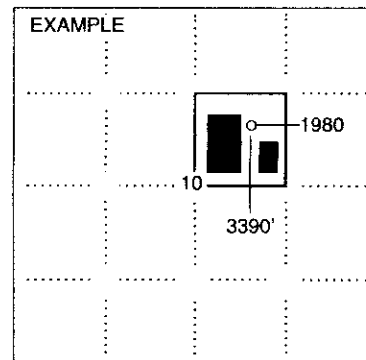
Section corner used: NE NW SE SW

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.

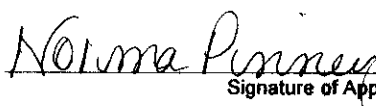
In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, 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: Custer Oil & Gas, LLC		License Number: 33874
Operator Address: P. O. Box 628, Barnsdall, OK 74002		
Contact Person: Dustin Kerbs		Phone Number: 918-847-2531
Lease Name & Well No.: Fobian 32		Pit Location (QQQQ): SE SW NE Sec. 12 Twp. 34 R. 13 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1,950 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,780 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Montgomery 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: 300 (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?
Pit dimensions (all but working pits): <u>45</u> Length (feet) <u>10</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. <div align="right"> RECEIVED KANSAS CORPORATION COMMISSION JUN 30 2008 </div>
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. CONSERVATION DIVISION WICHITA, KS 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: <u>Fresh Water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Fluids will be hauled off and pit will be back filled</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. <div style="display: flex; justify-content: space-between;"> <div> <u>6/25/08</u> Date </div> <div align="center">  Signature of Applicant or Agent </div> </div>		
KCC OFFICE USE ONLY		
Date Received: <u>6/30/08</u> Permit Number: _____ Permit Date: <u>6/30/08</u> Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>

15-125-31705-0000

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

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.