

For KCC Use:
 Effective Date: 7-27-08
 District #: 3
 BGA? Yes No

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

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

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

Expected Spud Date: 7/27/2008
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

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Intels	<input type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Pool Ext.	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic: # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> 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 #: _____

Spot: SE SW SE Sec. 1 Twp. 29S S R 15E East West
360 feet from N S Line of Section
1650 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: EISELE-674 Well #: 1-C4
 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: 1010 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'+
 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 #: _____
 (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:

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 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: 07/21/2008 Signature of Operator or Agent: [Signature] Title: Land Manager

For KCC Use ONLY
 API # 15 - 205-27603-0000
 Conductor pipe required: None feet
 Minimum surface pipe required: 20 feet per Alt. **XO 2**
 Approved by: [Signature]
 This authorization expires: 7-22-09
 (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;
 - 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 207B, Wichita, Kansas 67202

JUL 22 2008

CONSERVATION DIVISION
 WICHITA, KS

1
 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

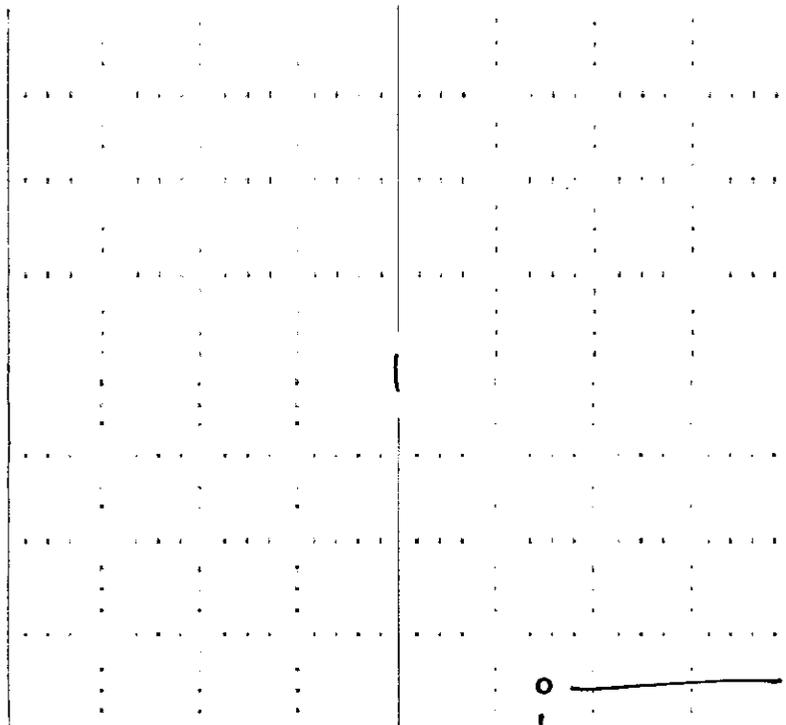
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - **205-27603-0000**
 Operator **Carroll Energy, LLC**
 Lease **EISELE-674**
 Well Number **1-C4**
 Field **Fredonia**
 Number of Acres attributable to well: **80**
 QTR / QTR / QTR of acreage **SE SW SE**

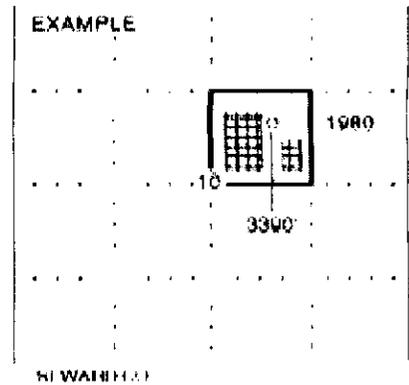
Location of Well: County **Wilson**
 Section **360**
 Township **1650**
 Range **29S**
 Line of Section N E S W
 Line of Section E W S N
 Section corner used NE NW SE SW

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.
 360

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 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
Form 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 EISELE-674 1-C4		Pit Location (OOOO) C . SE . SW . SE	
Type of Pit <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Proposed <input type="checkbox"/> Existing <input type="checkbox"/> Sealing 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>		Sec 1 Twp 29S R 15E <input checked="" type="checkbox"/> East <input type="checkbox"/> West 360 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1650 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Wilson County	
Pit capacity 300 (bbls)		Chloride concentration NA mg/l <small>(For Emergency Pits and Sealing Pits only)</small>	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		How is the pit lined if a plastic liner is not used? CLAY	
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	
Pit dimensions (all but working pits) 20 Length (feet) 8 Width (feet) N/A Steel Pits		Depth from ground level to deepest point 5 (feet)	
If the pit is lined give a brief description of the liner material, thickness and installation procedure		Describe procedure for periodic maintenance and determining liner integrity including any special monitoring.	
Distance to nearest water well within one-mile of pit 3317 feet Depth of water well 117 feet		Depth to shallowest fresh water 20 94 feet Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input checked="" type="checkbox"/> electric log KLWR	
Emergency, Sealing and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:	
Producing Formation		Type of material utilized in drilling/workover FRESH WATER	
Number of producing wells on lease		Number of working pits to be utilized. 1	
Barrels of fluid produced daily		Abandonment procedure AIR DRY	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> 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			
07/21/2008 Date		 Signature of Applicant or Agent	

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JUL 22 2008

CONSERVATION DIVISION
WICHITA, KS

15-205-27603-0000

KCC OFFICE USE ONLY			
Date Received	7/22/08 Permit Number	Permit Date:	7/22/08 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

KCC -- Conservation Division Forms -- 11/01/2007Internet KCC Home Page -- <http://kcc.ks.gov>Conservation Division Home Page -- <http://kcc.ks.gov/conservation/index.htm>Conservation Division Forms -- <http://kcc.ks.gov/conservation/forms/index.htm>**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