For KCC Use:
Effective Date: 8-6-08
District # 3
SGA? [ ] Yes [X] 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
October 2007
**Form must be Typed**
**Form must be Signed**
**All blanks must be Filled**

Expected Spud Date: August (month) 05 (day) 2008 (year)

OPERATOR: License# 32912
Name: Carroll Energy, LLC
Address 1: 200 Arco Place, Suite 230, Box 149
Address 2:
City: Independence State: KS Zip: 67301 +
Contact Person: Terry Carroll Jr
Phone: 620-332-1600

CONTRACTOR: License# 33374
Name: L & S Well Service, LLC

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

[ ] If OWWO: old well information as follows:
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 #:

Spot Description:
(Q/Q/Q/Q) SE - SW - SW Sec 26 Twp 25S S. R 20E [X] E [ ] W
360 feet from [ ] N / [X] S Line of Section
990 feet from [ ] E / [X] W Line of Section
Is SECTION: [X] Regular [ ] Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: ALLEN
Lease Name: LARUE-675 Well #: 26-A4
Field Name: SEIBERT
Is this a Prorated / Spaced Field? [ ] Yes [X] No
Target Formation(s): Cherokee Coals
Nearest Lease or unit boundary line (in footage): 360
Ground Surface Elevation: 1041 feet MSL
Water well within one-quarter mile: [ ] Yes [X] No
Public water supply well within one mile: [ ] Yes [X] No
Depth to bottom of fresh water: 100'+
Depth to bottom of usable water: ~~300'+~~ 100
Surface Pipe by Alternate: [ ] I [X] II
Length of Surface Pipe Planned to be set: 20'
Length of Conductor Pipe (if any):
Projected Total Depth: 1000'
Formation at Total Depth: Mississippi
Water Source for Drilling Operations: [ ] Well [X] Farm Pond [ ] Other:
DWR Permit #:
(Note: Apply for Permit with DWR [ ])
Will Cores be taken? [ ] Yes [X] No
If Yes, proposed zone:

## 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:

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: 07/30/2008 Signature of Operator or Agent: Title: Land Manager

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JUL 31 2008
CONSERVATION DIVISION
WICHITA, KS

**For KCC Use ONLY**
API # 15 - 001-29823-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT [ ] I [X] II
Approved by: Rus 8-1-08
**This authorization expires:** 8-1-09
*(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:
Signature of Operator or Agent:

20 25 20

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

Side Two

## 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 - 001-29823-0000

Operator: Carroll Energy, LLC

Lease: LARUE-675

Well Number: 26-A4

Field: SEIBERT

Number of Acres attributable to well: 80

QTR/QTR/QTR/QTR of acreage: C - SE - SW - SW

Location of Well: County: ALLEN

360 feet from [ ] N / [X] S Line of Section

990 feet from [ ] E / [X] W Line of Section

Sec. 26 Twp. 25S S. R. 20E [X] E [ ] W

Is Section: [X] Regular or [ ] Irregular

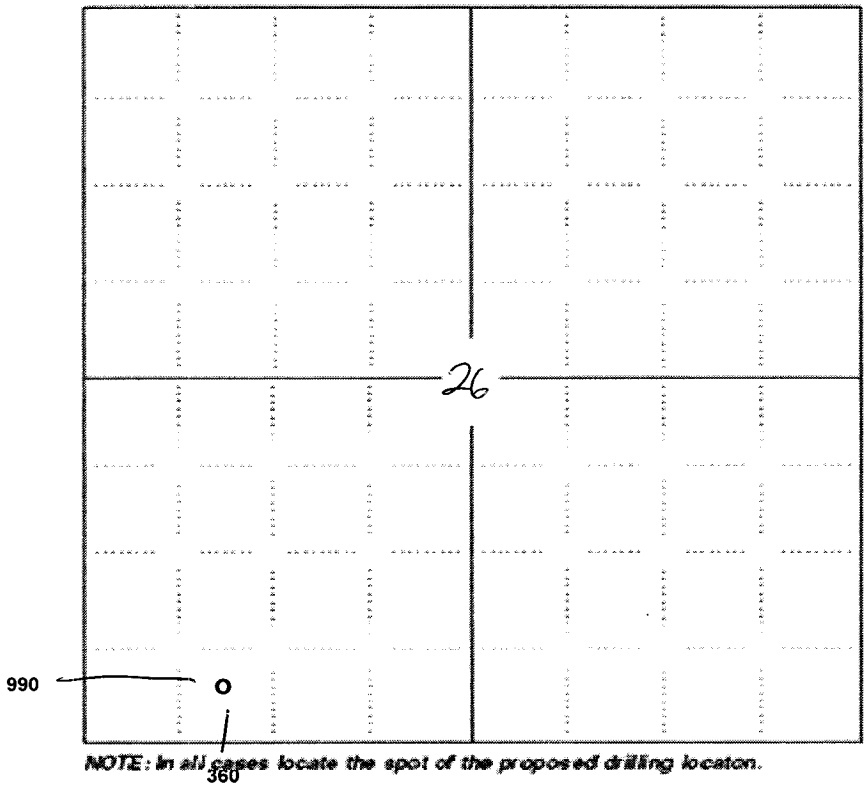
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: [ ] NE [ ] NW [ ] SE [X] 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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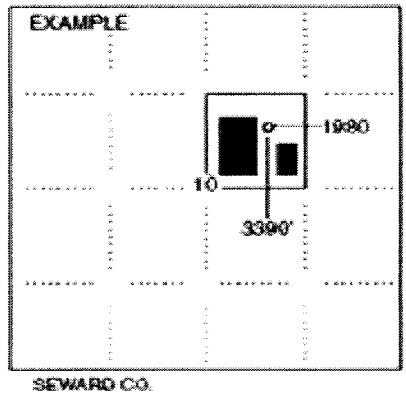
CONSERVATION DIVISION
WICHITA, KS




SEWARD CO.

*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: (CO-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: 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.: LARUE-675 26-A4
Pit Location (QQQQ): C . SE . SW . SW

Type of Pit:
| | Emergency Pit | | Burn Pit
| | Settling Pit | X | Drilling Pit
| | Workover Pit | | Haul-Off Pit
(If WP Supply API No. or Year Drilled) X

Pit is:
| | Proposed | | Existing
If Existing, date constructed

Pit capacity: 300 (bbls)

Sec. 26 Twp. 25S R. 20E | X | East | | West
360 Feet from | | North / | X | South Line of Section
990 Feet from | | East / | X | West Line of Section
ALLEN County

Is the pit located in a Sensitive Ground Water Area? | | Yes | ✓ | No

Chloride concentration: NA mg/l
(For Emergency Pits and Settling Pits only)

Is the bottom below ground level? | X | Yes | | No

Artificial Liner? | | Yes | X | No

How is the pit lined if a plastic liner is not used?
CLAY

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 procedures for periodic maintenance and determining liner integrity including any special monitoring.

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CONSERVATION DIVISION
WICHITA, KS

Distance to nearest water well within one-mile of pit: 1489 feet Depth of water well: 129 feet

Depth to shallowest fresh water: 20 feet
Source of information: measured | well owner | electric log | (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? | | Yes | | No

**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

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.

07/30/2008
Date

Signature of Applicant or Agent

15-001-29823-0000

**KCC OFFICE USE ONLY**

Date Received: 7/31/08 Permit Number: Permit Date: 7/31/08 Lease Inspection: | | Yes | ✓ | No

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