

For KCC Use:  
 Effective Date: 8-9-08  
 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: 08 15 2008  
 month day year

OPERATOR: License# 34027 ✓  
 Name: CEP Mid-Continent LLC  
 Address 1: 15 West Sixth Street  
 Address 2: Suite 1400  
 City: Tulsa State: OK Zip: 74119 + 5415  
 Contact Person: David Spitz, Engineering Manager  
 Phone: (918) 877-2912, ext. 309

CONTRACTOR: License# 34126 ✓  
 Name: Smith Oilfield Services, Inc.

Well Drilled For:  Oil  Gas  Enh Rec  Storage  Disposal  Seismic; # of Holes  Other: \_\_\_\_\_  
 Well Class:  Infield  Pool Ext.  Wildcat  Other \_\_\_\_\_  
 Type Equipment:  Mud Rotary  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  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Spot Description: \_\_\_\_\_  
 NE SE SW Sec. 31 Twp. 32 S. R. 17  E  W  
 (a/a/a/a) 1,521 feet from  N /  S Line of Section  
3,034 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: KNISLEY Well #: 31-1  
 Field Name: Coffayville-Cherryvale

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Weir-Pitt, Riverton Coals  
 Nearest Lease or unit boundary line (in footage): 1521'  
 Ground Surface Elevation: 879' 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: 8' / 100'  
 Depth to bottom of usable water: 8' / 150'  
 Surface Pipe by Alternate:  I  II  
 Length of Surface Pipe Planned to be set: 20'  
 Length of Conductor Pipe (if any): none

Projected Total Depth: 1213'  
 Formation at Total Depth: Mississippi Chat  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other: City

DWR Permit #: \_\_\_\_\_  
 (Note: Apply for Permit with DWR)   
 Will Cores be taken?  Yes  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: 08/01/08 Signature of Operator or Agent: \_\_\_\_\_ Title: Engineering Manager

For KCC Use ONLY  
 API # 15 - 125-31742-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 20 feet per ALT.  I  II  
 Approved by: [Signature] 8-4-08  
 This authorization expires: 8-4-09  
 (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 prorotation 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: \_\_\_\_\_

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

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31  
 32  
 17  
 E  
 W

**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 - 125-31742-0000  
 Operator: CEP Mid-Continent LLC  
 Lease: KNISLEY  
 Well Number: 31-1  
 Field: Coffeyville-Cherryvale  
 Number of Acres attributable to well: 80 acres  
 QTR/QTR/QTR/QTR of acreage:      - NE - SE - SW

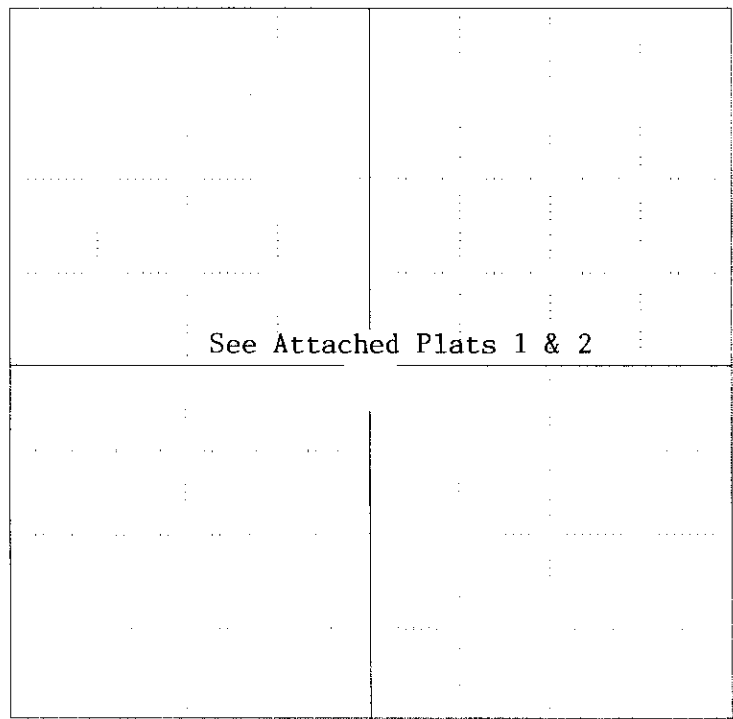
Location of Well: County: Montgomery  
1,521 feet from  N /  S Line of Section  
3,034 feet from  E /  W Line of Section  
 Sec. 31 Twp. 32 S. R. 17  E  W

Is Section:  Regular or  Irregular

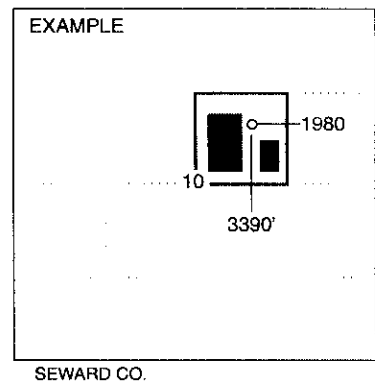
**If Section is Irregular, locate well from nearest corner boundary.**  
 Section corner used:  NE  NW  SE  SW

**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.**

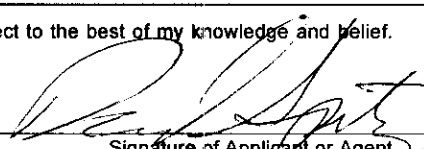
**In plotting the proposed location of the well, you must show:**

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**

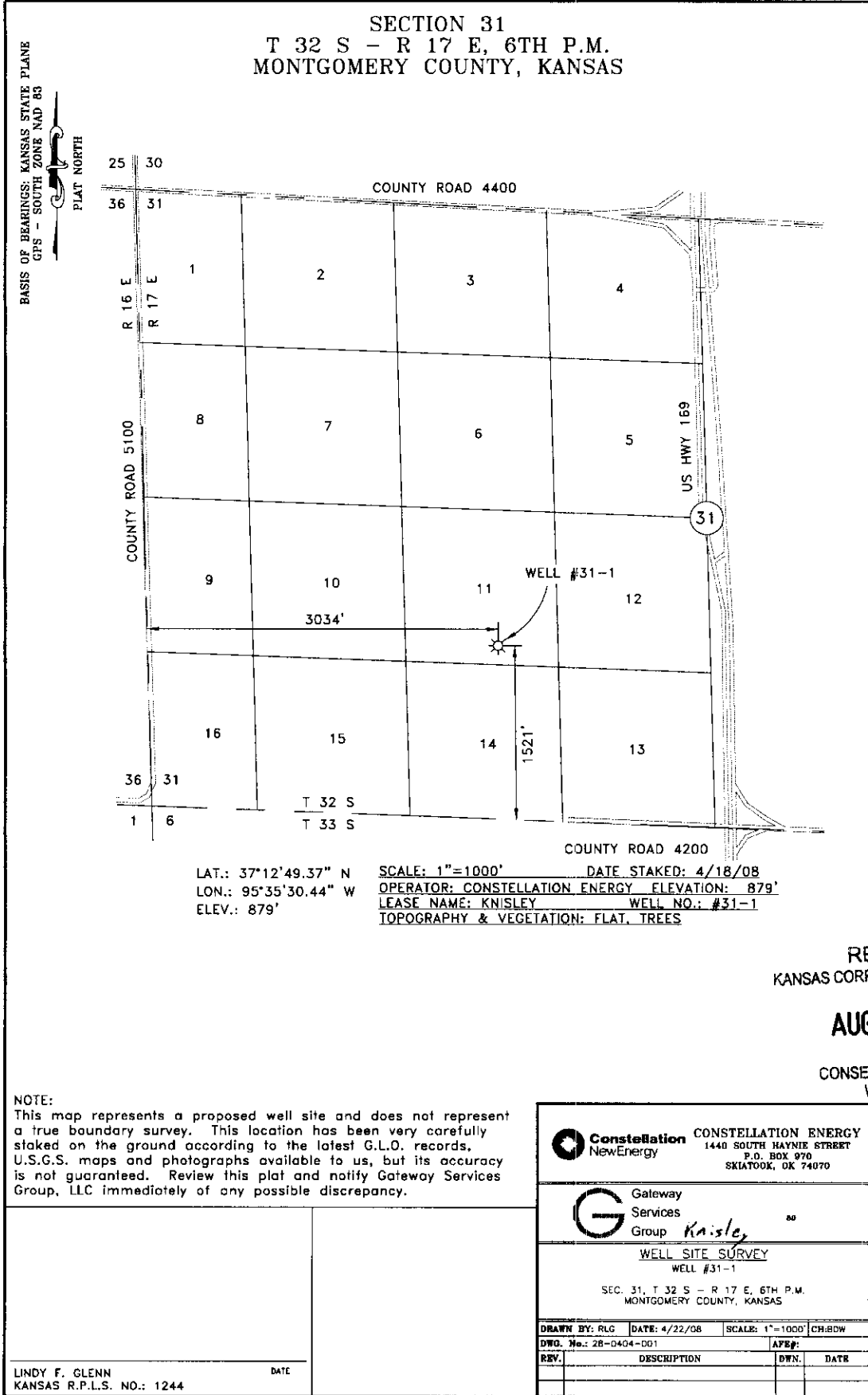
Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>CEP Mid-Continent LLC</b>		License Number: <b>34027</b>
Operator Address: <b>15 West Sixth Street, Suite 1400, Tulsa, OK 74119-5415</b>		
Contact Person: <b>David F. Spitz, Engineering Manager</b>		Phone Number: <b>(918) 877-2912, ext. 309</b>
Lease Name & Well No.: <b>KNISLEY #31-1</b>		Pit Location (QQQQ): <b>NE</b> <b>SE</b> <b>SW</b> Sec. <b>31</b> Twp. <b>32</b> R. <b>17</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>1,521</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>3,034</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Montgomery</b> 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: <b>1,710</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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>30</u> Length (feet) <u>40</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>8</u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>N/A</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>N/A</b>
Distance to nearest water well within one-mile of pit <u>1,284</u> feet    Depth of water well <u>50</u> feet		Depth to shallowest fresh water <u>20</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>Fresh water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Air dried and backfilled</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.		
08/01/08 Date	 Signature of Applicant or Agent	<b>RECEIVED</b> KANSAS CORPORATION COMMISSION <b>AUG 04 2008</b> CONSERVATION DIVISION WICHITA, KS
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>8/4/08</u>	Permit Number: _____	Permit Date: <u>8/4/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-125-31712-0000

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



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**NOTE:**  
This map represents a proposed well site and does not represent a true boundary survey. This location has been very carefully staked on the ground according to the latest G.L.O. records, U.S.G.S. maps and photographs available to us, but its accuracy is not guaranteed. Review this plat and notify Gateway Services Group, LLC immediately of any possible discrepancy.

	CONSTELLATION ENERGY 1440 SOUTH HAYNIE STREET P.O. BOX 970 SKIATOOK, OK 74070
	Gateway Services Group <i>Knisley</i>
WELL SITE SURVEY WELL #31-1 SEC. 31, T 32 S - R 17 E, 6TH P.M. MONTGOMERY COUNTY, KANSAS	
DRAWN BY: RLG	DATE: 4/22/08
DWD. No.: 28-0404-001	SCALE: 1"=1000'
REV.	DESCRIPTION
DWN.	DATE

LINDY F. GLENN KANSAS R.P.L.S. NO.: 1244	DATE
---	------

# CANNON SERVICES, LTD.

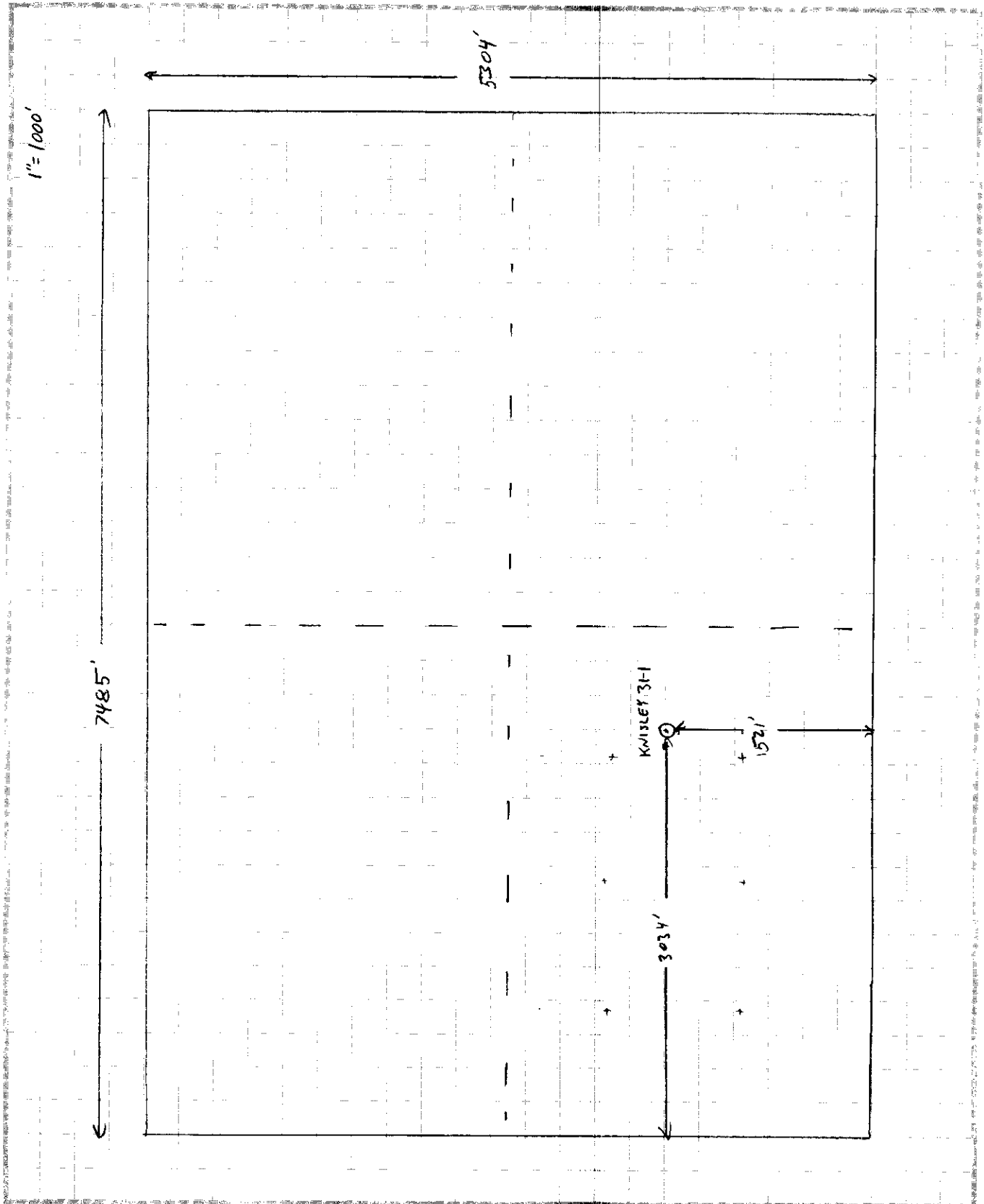
P.O. Box 1306 • Stafford, Texas 77497  
Phone: (281) 498-2505 • Fax: (281) 498-5727  
cannonservices@msn.com • www.cannonservicesltd.com



"Manufacturer of Protectors for ESP Cable and Control Line"

15-125-31742-0000

Project \_\_\_\_\_ By Plat 2 Date \_\_\_\_\_ Sheet \_\_\_\_\_ of \_\_\_\_\_



32E-17E-SEC. 31

KNISLEY 31-1

MONTGOMERY CO., KS

15-125-31742-0000



### Geological Well Prognosis

API#:   
 Well Name: **Krisley**   
 Well Number: **31-1**   
 Field: Kanmap   
 Lease: Krisley   
 County: Montgomery   
 State: Kansas

Qtr/Qtr: NE SE *Sec*   
 Section: 31   
 Township: 32S   
 Range: 17E   
 Footage Call: 3034'FWL 1521' FSL   
 Elevation(ft): 879   
 Latitude: 37° 12' 49.37" N   
 Longitude: 95° 35' 30.44" W

#### Casing Details

Surface Hole(in): 11"      Production Hole(in): 6.75"   
 Surface Casing(in): 8.625"      Production Casing(in): 4.5"   
 Surface Depth(ft): 20'      **Total Depth(ft):** 1213

<u>Formation Tops</u>	Top ft, md	Thickness ft	Sub Sea Top ft
Higginsville	618		261
L Osage	654		225
Mulky	686		193
Ironpost	714		165
Crowberg	744		135
Mineral Coal	788		91
Tebo Coal	848		31
W-Pitt	886	2.0	-7
Riverton	1100	1.7	-221
MS Chat	1113		-234

#### Objective

Vertical production well to be completed in the Weir-Pitt and Riverton coals  
 TD at 100' into MS

#### Notes

Lat/ Lon and ground level represent the desired location of the well as depicted in Well Site Survey  
 staked 4/18/08 by Gateway Services Grp

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