

For KCC Use:
 Effective Date: 9-27-08
 District #: _____
 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: _____ month _____ day _____ year

OPERATOR: License# 34089 ✓
 Name: Agricultural Energy Services
 Address 1: 1755 W. Broadway Street
 Address 2: Suite 6
 City: Oviedo State: FL Zip: 32765
 Contact Person: Montgomery Escue
 Phone: 407-365-2500 FAX 407-386-9929

CONTRACTOR: License# 30606
 Name: Murfin Drillin Rig 21

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Enh Rec Storage Disposal 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: SW-3W
Sw Sw Sec. 15 Twp. 33 S. R. 33 E W
 660 feet from N / S Line of Section
 660 feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Seward

Lease Name: Peters Well #: 3-15
 Field Name: Evalyn-Condit

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): St. Louis

Nearest Lease or unit boundary line (in footage): 660'
 Ground Surface Elevation: 2825.9 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: 360' S20
 Depth to bottom of usable water: 380' S20

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 1800'

Length of Conductor Pipe (if any): None
 Projected Total Depth: 6500'

Formation at Total Depth: Miss. / St. Louis

Water Source for Drilling Operations:
 Well Farm Pond Other: Truck Hauled

DWR Permit #: _____ (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

PRORATED & SPACED: HUGOTON

AFFIDAVIT

RECEIVED
 KANSAS CORPORATION COMMISSION

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** ~~SHCHTA~~ **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: 9/19/08 Signature of Operator or Agent: [Signature] Title: ASST. AES

For KCC Use ONLY
 API # 15 - 175-22161-0000
 Conductor pipe required None feet
 Minimum surface pipe required 540 feet per ALT. I II
 Approved by: [Signature] 9-22-08
 This authorization expires: 9-22-09
 (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 (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: _____

15
33
33
 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 - 175-22161-0000

Operator: Agricultural Energy Services

Lease: Peters

Well Number: 3-15

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: Seward

660 feet from N / S Line of Section

660 feet from E / W Line of Section

Sec. 15 Twp. 33 S. R. 33 E W

Is Section: Regular or Irregular

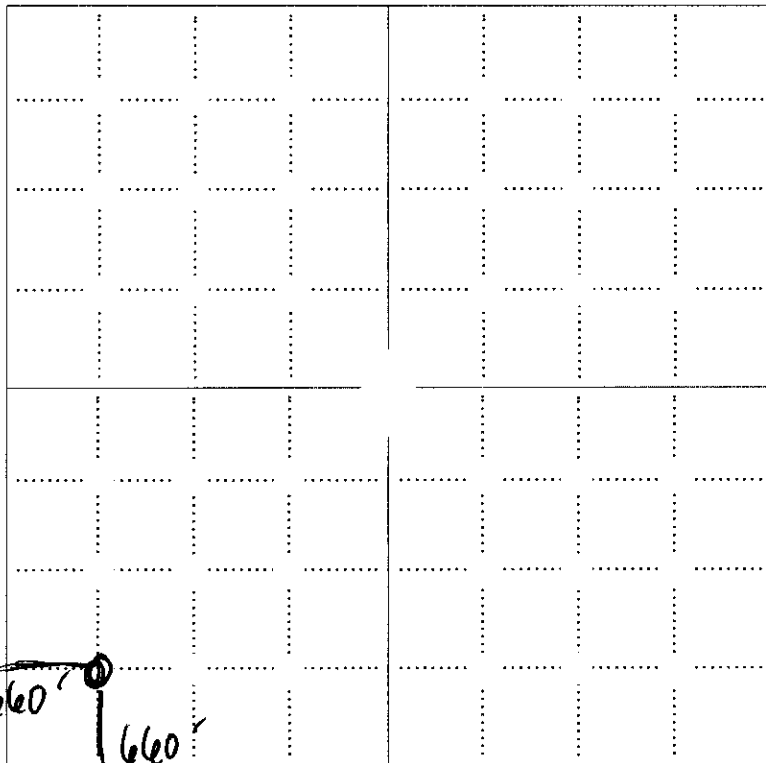
If Section is Irregular, locate well from nearest corner boundary.

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.)

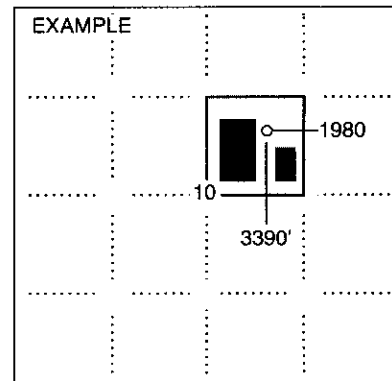


NOTE: In all cases locate the spot of the proposed drilling location.

RECEIVED
KANSAS CORPORATION COMMISSION

SEP 22 2008

CONSERVATION DIVISION
WICHITA, KS

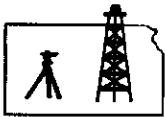


SEWARD CO.

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

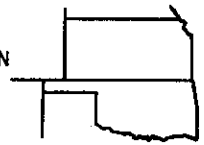
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease 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).

15-175-2216+000



ROBINSON SERVICES
Oil Field & Construction Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499

SEP 22 2008
CONSERVATION DIVISION
WICHITA, KS
7901
INVOICE NO.



m091508-h
PLAT NO.

Agricultural Energy Service

OPERATOR

Seward County, KS

COUNTY

15 33s 33w
Sec. Twp. Rng.

Peters #3-15

LEASE NAME

660' FSL & 660' FWL

LOCATION SPOT

SCALE: **1" = 1000'**
DATE: **Sept. 15th, 2008**
MEASURED BY: **Jeremy T.**
DRAWN BY: **Gabe Q.**
AUTHORIZED BY: **Justin H.**

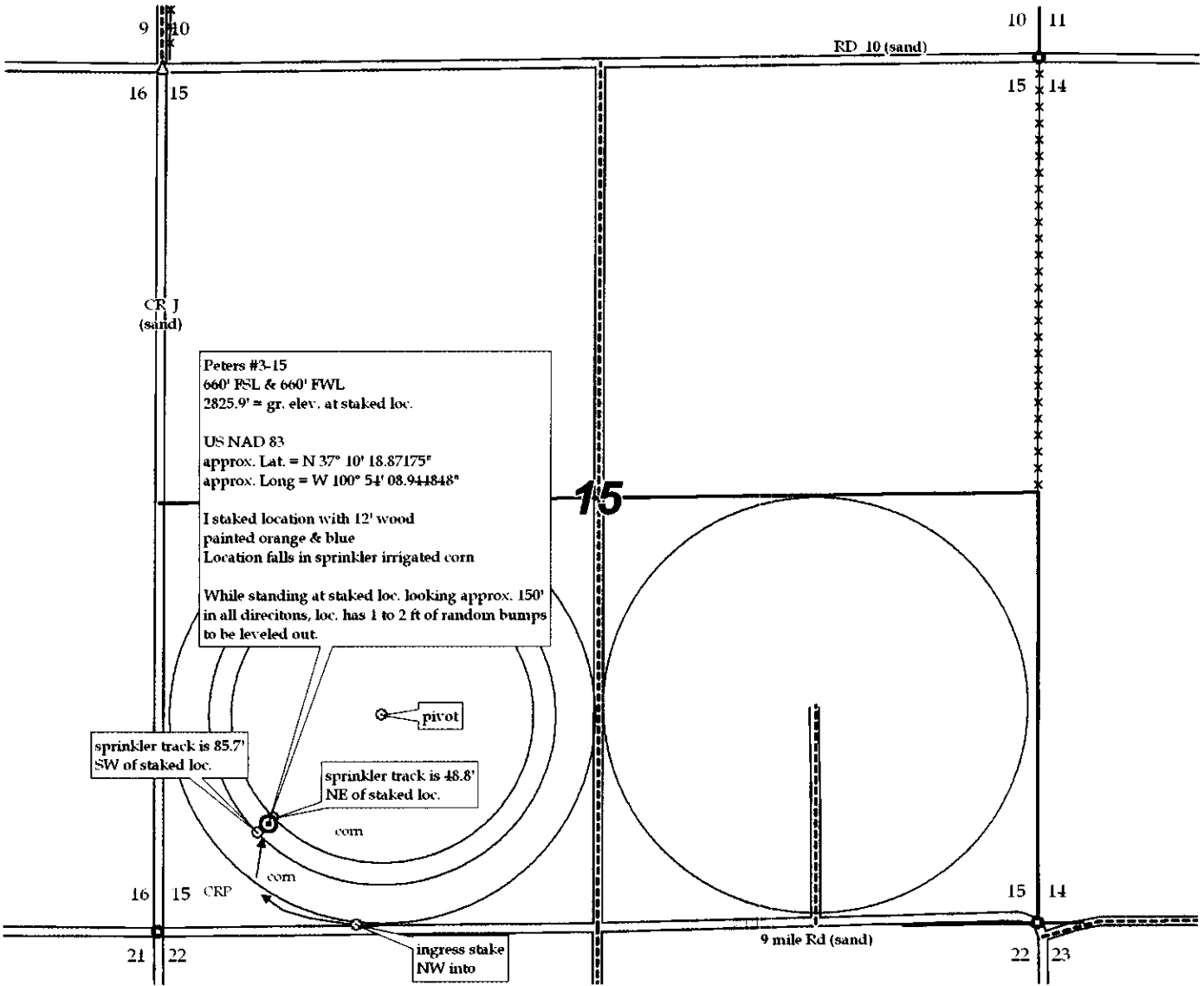


GR. ELEVATION: **2825.9'**

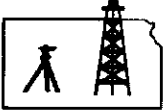
Directions: From the North side of Liberal, Ks at the intersection of Kansas Ave. South & Hwy 83 North, East - Now go 7 miles North on Hwy 83 - Now go 1 mile East on 9 mile Rd to the SW corner of section 15-33s-33w - Now 0.3 mile East on 9 Mile Rd - Now go approx. 660' NW around edge of sprinkler irrigated corn - Now go approx. 340' North through sprinkler irrigated corn into staked location.

Final ingress must be verified with landowner or Agricultural Energy Service

This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only

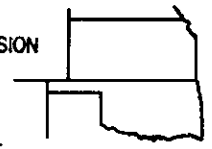


SEP 22 2008



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Oil Field & Construction Staking
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Garden City, Kansas 67846
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CONSERVATION DIVISION
WICHITA, KS



7901
INVOICE NO.

m091508-h
PLAT NO.

Agricultural Energy Service

OPERATOR

Seward County, KS

COUNTY

15 33s 33w
Sec. Twp. Rng.

Peters #3-15

LEASE NAME

660' FSL & 660' FWL

LOCATION SPOT

SCALE: 1" = 1000'
DATE: Sept. 15th, 2008
MEASURED BY: Jeremy T.
DRAWN BY: Gabe Q.
AUTHORIZED BY: Justin H.

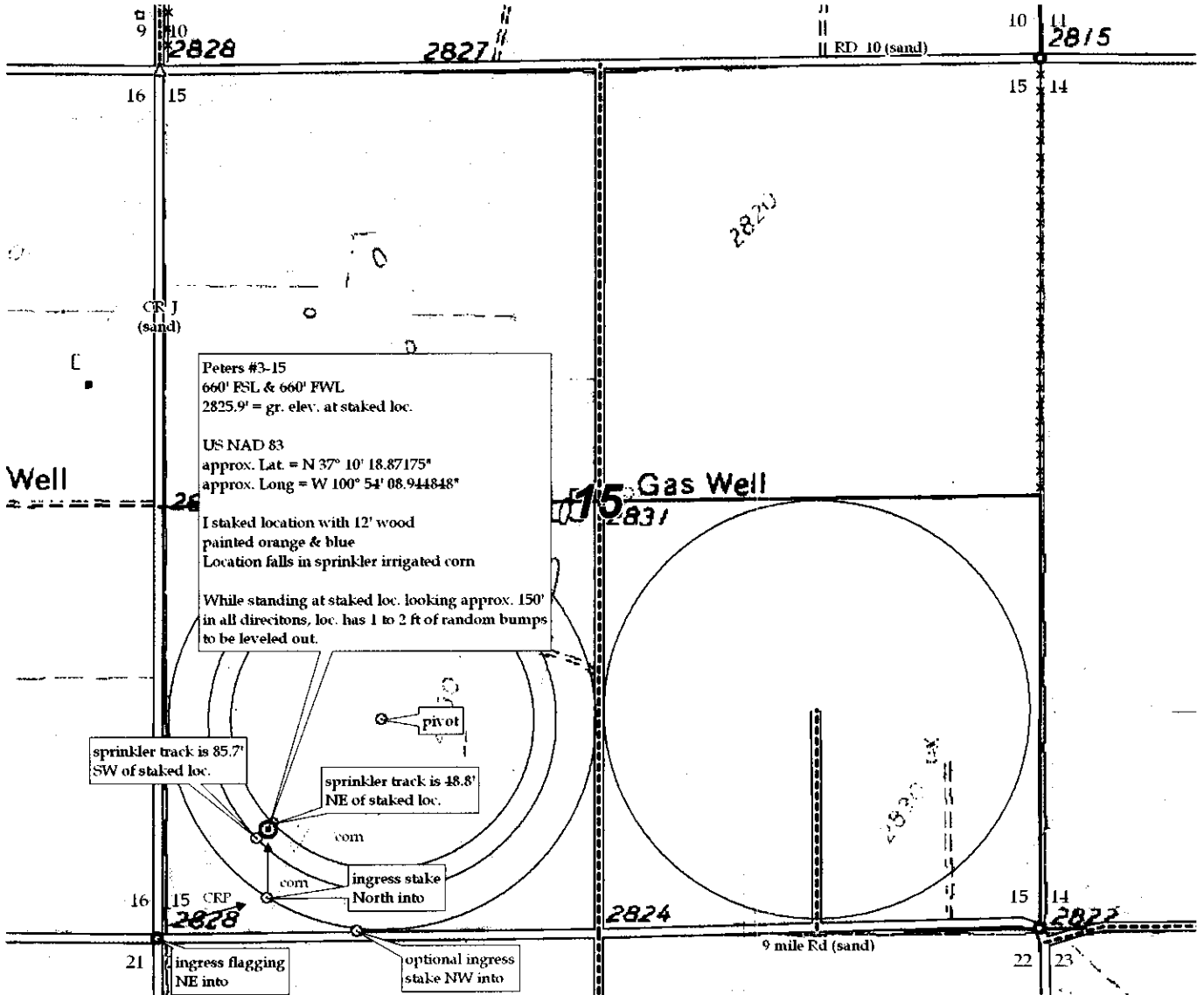


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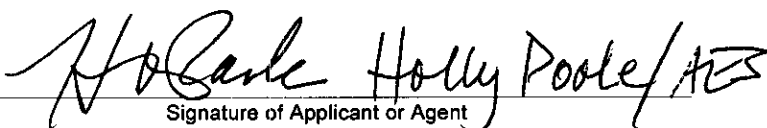
This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only



**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: Agricultural Energy Services		License Number: 34089	
Operator Address: PO Box 1040 Liberal, KS 67901		Oviedo FI 32765	
Contact Person: Montgomery Escue		Phone Number: 620-624-6266 cell 407-721-5062	
Lease Name & Well No.: Peters 3-15		Pit Location (QQQQ): SW SW	
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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (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?		Seward _____ County	
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</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.	
		RECEIVED Native gel and bentonite SEP 22 2008 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit <u>2800'</u> feet Depth of water well <u>260</u> feet		Depth to shallowest fresh water <u>212</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" 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>Haul off water after well is drilled, let pit dry and backfill</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.			
<u>9/19/08</u> Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: <u>9/22/08</u> Permit Number: _____ Permit Date: _____ Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-175-22161-0000



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

September 22, 2008

Agricultural Energy Services
1755 W. Broadway St Ste 6
Oviedo, FL 32765

Re: Drilling Pit Application
Peters Lease Well No. 3-15
SW/4 Sec. 15-33S-33W
Seward County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 96 hours of drilling completion.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:
www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: File