

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OCT 27 2008

NOTICE OF INTENT TO DRILL

CONSERVATION DIVISION
WICHITA, KS

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

For KCC Use:

Effective Date: 11-1-08

District #: 3

SGA? Yes No

Expected Spud Date: October 23, 2008
month day year

OPERATOR: License# 34008
Name: Owens Petroleum, LLC
Address 1: 1274 202nd Rd
Address 2:
City: Yates Center State: KS Zip: 66783
Contact Person: Scott Owens
Phone: 620-625-3607

CONTRACTOR: License# 33986
Name: OWENS PETROLEUM SERVICES, LLC

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic Other
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable
of Holes: _____
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: NE4 NE4 NE4 NE4 Sec. 32 Twp. 23 S. R. 16
feet from N / S Line of Section
feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Woodson

Lease Name: Shepard Well #: 17

Field Name: Vernon

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Squirrel

Nearest Lease or unit boundary line (in footage): 165'

Ground Surface Elevation: 1109 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: 150'

Depth to bottom of usable water: 150'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 40'

Length of Conductor Pipe (if any): 0

Projected Total Depth: 1100'

Formation at Total Depth: Squirrel

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

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: 10/17/2008 Signature of Operator or Agent: Jody Owens Title: member

OCT 22 2008

CONSERVATION DIVISION
WICHITA, KS

For KCC Use ONLY

API # 15 - 207-274540000
Conductor pipe required None feet
Minimum surface pipe required 40 feet per ALT. I II
Approved by: [Signature] 10-27-08
This authorization expires: 10-27-09
(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: _____

32
23
16
 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 - 207-27454-0000

Operator: Owens Petroleum, LLC

Lease: Shepard

Well Number: 17

Field: Vernon

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: NE4 NE4 NE4 NE4

Location of Well: County: Woodson

165 feet from N / S Line of Section

165 feet from E / W Line of Section

Sec. 32 Twp. 23 S. R. 16 E W

Is Section: Regular or Irregular

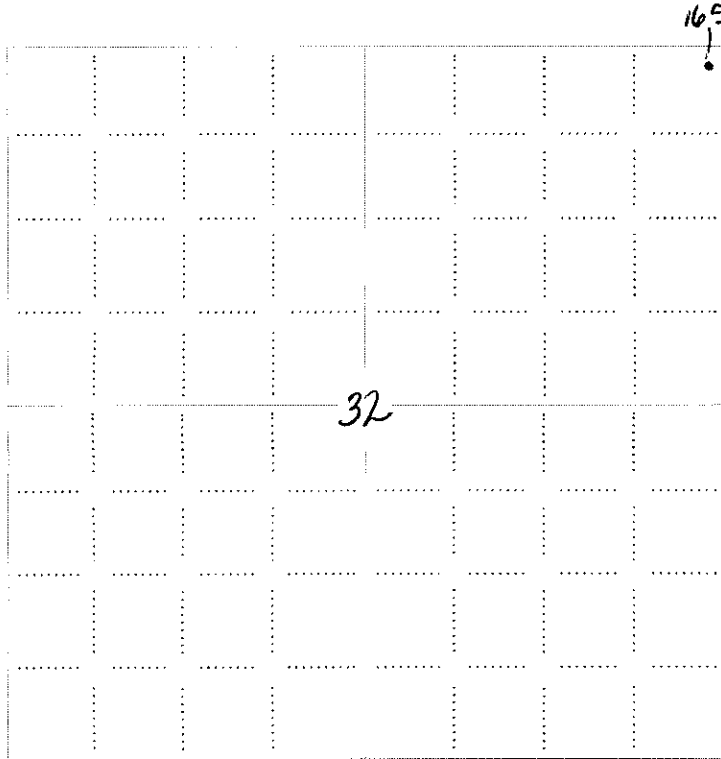
If Section is Irregular, locate well from nearest corner boundary.

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 locaton.

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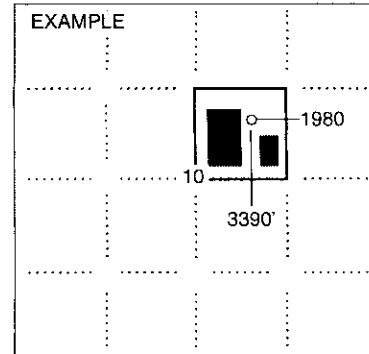
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In plotting the proposed location of the well, you must show:

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

RECEIVED
KANSAS CORPORATION COMMISSION Form CDP-1
April 2004
Form must be Typed
OCT 27 2008

Submit in Duplicate

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Owens Petroleum, LLC		License Number: 34008	
Operator Address: 1274 202nd Rd		Yates Center KS 66783	
Contact Person: Scott Owens		Phone Number: 620-625-3607	
Lease Name & Well No.: Shepard 17		Pit Location (QQQQ): NE4 NE4 NE4 NE4 Sec. 32 Twp. 23 R. 16 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 165 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 175 165 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Woodson 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: (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? <i>Natural clay liner</i>	
Pit dimensions (all but working pits): 20 Length (feet) 16 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (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 KANSAS CORPORATION COMMISSION OCT 22 2008 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit NONE feet Depth of water well feet		Depth to shallowest fresh water 150 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> <i>KCC</i> 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: freshwater, mud Number of working pits to be utilized: 2 Abandonment procedure: empty & backfill 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. 10/17/2008 Date <i>Jody Owens</i> Signature of Applicant or Agent			
KCC OFFICE USE ONLY			
Date Received: 10/27/08		Permit Number: Permit Date: 10/27/08 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

15-207-27454000