



For KCC Use:
 Effective Date: 11/04/2008
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1023465
 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: 11/10/2008
 month day year

OPERATOR: License# 33186
 Name: LB Exploration, Inc.
 Address 1: 2135 2ND RD
 Address 2:
 City: HOLYROOD State: KS Zip: 67450 + 9021
 Contact Person: Michael Petermann
 Phone: 785-252-8034
 CONTRACTOR: License# 33793
 Name: H2 Drilling LLC

Spot Description:
 NW NE Sec. 34 Twp. 32 S. R. 13 E W
 (Q/Q/Q) 660 feet from N / S Line of Section
 1,980 feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: Barber
 Lease Name: Boyd Well #: 1
 Field Name: Medicine Lodge-Boggs

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

Nearest Lease or unit boundary line (in footage): 660
 Ground Surface Elevation: 1796 Surveyed 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: 180

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 346

Length of Conductor Pipe (if any):
 Projected Total Depth: 5050
 Formation at Total Depth: Arbuckle

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:

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Seismic ; # of Holes Wildcat Cable
 Other:
 If OWWO: old well information as follows:

Operator: Lee Phillips
 Well Name: Mee #1
 Original Completion Date: 11/5/1981 Original Total Depth: 4610

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth:

Bottom Hole Location:
 KCC DKT #:

OWWO

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.

Submitted Electronically

For KCC Use ONLY
 API # 15 15-007-21295-00-01
 Conductor pipe required 0 feet
 Minimum surface pipe required 346 feet per ALT. I II
 Approved by: Rick Hestermann 10/30/2008
 This authorization expires: 10/30/2009
 (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: W

34 32 13 E W



1023465

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 - 15-007-21295-00-01
Operator: LB Exploration, Inc.
Lease: Boyd
Well Number: 1
Field: Medicine Lodge-Boggs

Location of Well: County: Barber
660 feet from N / S Line of Section
1,980 feet from E / W Line of Section
Sec. 34 Twp. 32 S. R. 13 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - _____ - NW - NE

Is Section: Regular or Irregular

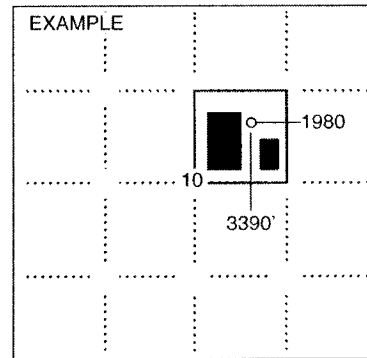
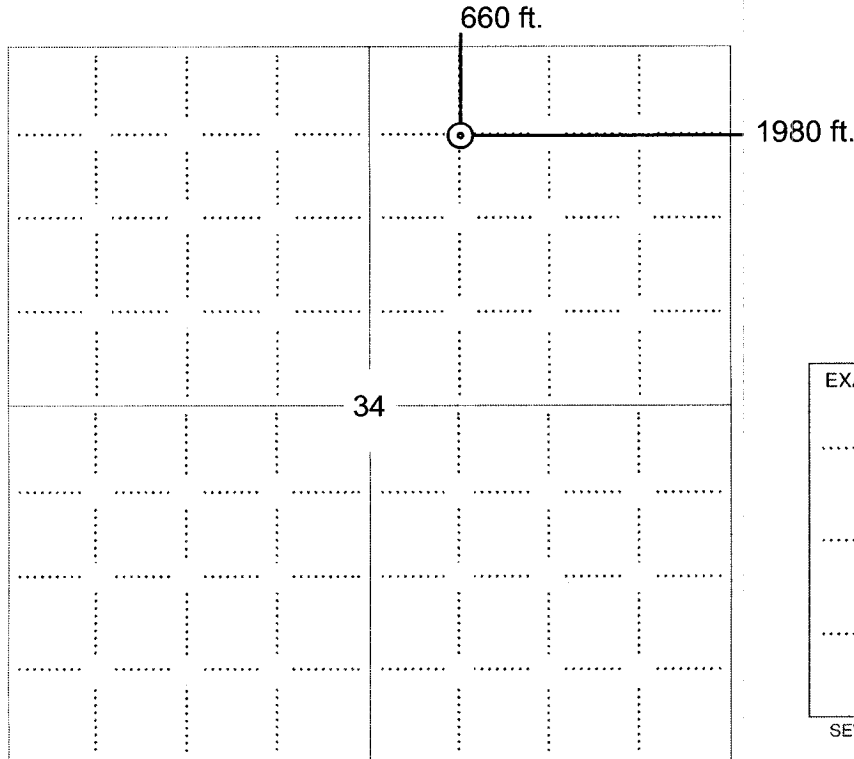
If Section is Irregular, locate well from nearest corner boundary.

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.

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: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS CORPORATION COMMISSION 1023465
 OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
 April 2004
 Form must be Typed

Submit in Duplicate

Operator Name: LB Exploration, Inc.		License Number: 33186
Operator Address: 2135 2ND RD		HOLYROOD KS 67450
Contact Person: Michael Petermann		Phone Number: 785-252-8034
Lease Name & Well No.: Boyd 1		Pit Location (QQQQ):
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: 4,000 (bbls)
		_____ NW _____ NE Sec. 34 Twp. 32 R. 13 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,980 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barber County
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? native mud
Pit dimensions (all but working pits): _____ 100 _____ Length (feet) _____ 100 _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ 6 _____ (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.
Distance to nearest water well within one-mile of pit _____ NA _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ 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: mud Number of working pits to be utilized: 0 Abandonment procedure: Allow to dry and backfill. _____ Drill pits must be closed within 365 days of spud date.
Submitted Electronically		
KCC OFFICE USE ONLY		
Date Received: 10/28/2008 Permit Number: 15-007-21295-00-01		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>
Permit Date: 10/30/2008		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

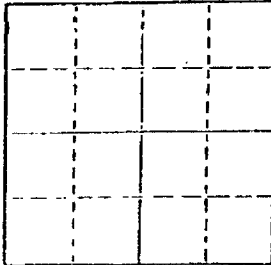
15-007-21295-0000

STATE OF KANSAS
STATE CORPORATION COMMISSION

WELL PLUGGING RECORD

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to
Conservation Division
State Corporation Comm.
245 North Water
Wichita, KS 67202

Barber County, Sec. 34 Twp. 32 Rge. 13 E/W
Location as "NE/CNW¹/SW⁴" or footage from lines
C/NW¹ NE¹
Lease Owner Lee Phillips Oil Co.
Lease Name Mee Well No. 1
Office Address 125 N. Market, Suite 1532, Wichita, Kans. 67202
Character of Well (Completed as Oil, Gas or Dry Hole)
dry hole



Locate well correctly on above section Plat

Date Well completed 11-5 19 81
Application for plugging filed 11-5 19 81
Application for plugging approved 11-5 19 81
Plugging commenced 11-5 19 81
Plugging completed 11-5 19 81
Reason for abandonment of well or producing formation
dry

If a producing well is abandoned, date of last production
19

Was permission obtained from the Conservation Division or
its agents before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well Maurice Leslie
Producing formation Depth to top Bottom Total Depth of Well 4610
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
				8 5/8"	346	none

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hold. If cement or other plugs were used, state the character of same and depth placed, from feet to feet for each plug set.

Plug with 110 sacks 50-50 posmix, 4% Gel, 3% CC.
50 sacks @ 1120, 40 sacks @ 320, 10 sacks @ 40, 10 sacks in rat hole.
Plug down at 10:30 P.M.

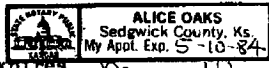
(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor Gabbert-Jones, Inc.

STATE OF KANSAS COUNTY OF SEDGWICK, ss.
Nelle A. Salmon (employee of owner) or (owner or-operator)
of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) Nelle A. Salmon
125 N. Market, Suite 1532, Wichita
(Address)

SUBSCRIBED AND SWORN TO before me this 11th day of November, 19 81



My commission expires May 10, 1984

Notary Public
STATE CORPORATION COMMISSION

CONSERVATION DIVISION
Wichita, Kansas



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

October 30, 2008

Michael Petermann
LB Exploration, Inc.
2135 2ND RD
HOLYROOD, KS67450-9021

Re: Drilling Pit Application
Boyd Lease Well No. 1
NE/4 Sec.34-32S-13W
Barber County, Kansas

Dear Michael Petermann:

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 completion of drilling operations. KEEP PITS away from draw/drainage.

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:
kcc.ks.gov/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 District Office at (620) 225-8888.