

For KCC Use:

Effective Date:

District #

SGA? ☐ Yes ☒ NoKANSAS 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: 11 month 26 day 08 year

OPERATOR: License# 34027

Name: CEP MID CONTINENT LLC

Address 1: 15 WEST 6TH ST SUITE 1400

Address 2:

City: TULSA State: OK Zip: 74119 + 5415

Contact Person: DAVID SPITZ, ENGINEERING MANAGER

Phone: 918-877-2912 X309

CONTRACTOR: License# 34126

Name: SMITH OILFIELD SERVICES

Well Drilled For:

☐ Oil
☒ Gas☐ Enh Rec
☐ Storage
☐ Disposal

Well Class:

☒ Infield
☐ Pool Ext.
☐ Wildcat
☐ Other

Type Equipment:

☐ Mud Rotary
☒ Air Rotary
☐ Cable☐ Seismic; # of Holes
☐ Other:☐ 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: NW SW NE

NW SW NE Sec. 10 Twp. 34 S. R. 14 ☒ E ☐ W1.783 feet from ☒ N ☐ S Line of Section2.150 feet from ☒ E ☐ W Line of SectionIs SECTION: ☒ Regular ☐ Irregular?

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

County: MONTGOMERY

Lease Name: JABBEEN Well #: 10-6

Field Name: SUNWEST Cherokee Basin Coal Area

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): MULKY, ROWE, RIVERTON

Nearest Lease or unit boundary line (in footage): 463

Ground Surface Elevation: 839 feet MSL

Water well within one-quarter mile: ☐ Yes ☒ NoPublic water supply well within one mile: ☐ Yes ☒ No

Depth to bottom of fresh water: 100

Depth to bottom of usable water: 175

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: 1545'

Formation at Total Depth: MISSISSIPPI

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: 11-17-08 Signature of Operator or Agent: [Signature] Title: ENGINEERING MGR.

For KCC Use ONLY

API # 15 - 125-31839-0000

Conductor pipe required None feet

Minimum surface pipe required 20 feet per ALT. ☐ I ☒ II

Approved by: [Signature] 11-21-08

This authorization expires: 11-21-09

(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.

☐ 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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KANSAS CORPORATION COMMISSION

NOV 20 2008

CONSERVATION DIVISION
WICHITA, KS10
34
14
☒ 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 - 125-31839-0000Operator: CEP MID CONTINENT LLCLease: JABBENWell Number: 10-6Field: SUNWEST

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - NW - SW - NE

Location of Well: County: MONTGOMERY1,783 feet from ☒ N / ☐ S Line of Section2,150 feet from ☒ E / ☐ W Line of SectionSec. 10 Twp. 34 S. R. 14 ☒ E ☐ WIs Section: ☒ Regular or ☐ Irregular

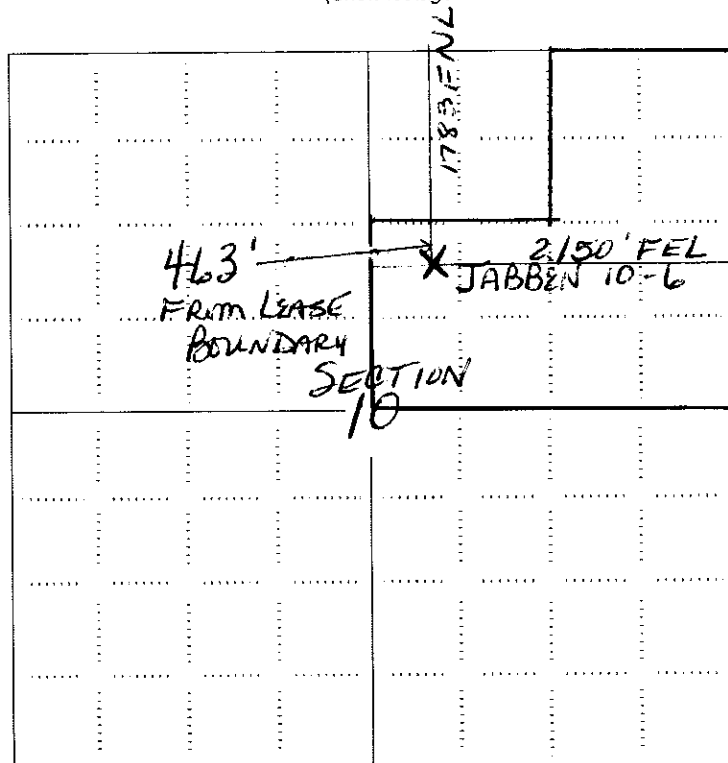
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

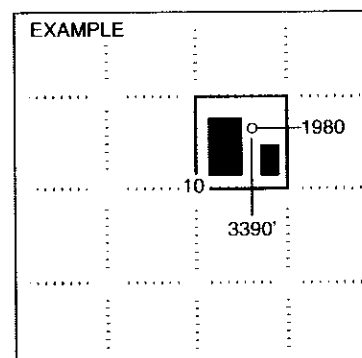
PLAT

(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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NOV 20 2008

CONSERVATION DIVISION
WICHITA, KS

SEWARD CO.

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 GDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: CEP MID CONTINENT LLC		License Number: 34027	
Operator Address: 15 WEST 6TH ST SUITE 1400		TULSA	OK 74119
Contact Person: DAVID SPITZ, ENGINEERING MANAGER		Phone Number: 918-877-2912 X309	
Lease Name & Well No.: JABBEN 10-6		Pit Location (QQQQ): _____ NW _____ SW _____ NE _____ Sec. <u>10</u> Twp. <u>34</u> R. <u>14</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>1,783</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>2,150</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section MONTGOMERY 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: <u>1,710</u> (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? NATIVE CLAYS			
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. NA		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA	
Distance to nearest water well within one-mile of pit <u>4123</u> feet Depth of water well <u>50</u> feet		Depth to shallowest fresh water <u>11</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>AIRDRIED & 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. <u>11-17-08</u> Date		RECEIVED KANSAS CORPORATION COMMISSION NOV 20 2008 CONSERVATION DIVISION WICHITA, KS	
Signature of Applicant or Agent: <i>David Spitz</i>			
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: <u>11/20/08</u> Permit Number: _____ Permit Date: <u>11/20/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

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

15-125-31839-0000



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

November 21, 2008

CEP Mid Continent LLC
15 West 6th St Ste 1400
Tulsa, OK 74119-5415

RE: Drilling Pit Application
Jabben Lease Well No. 10-6
NE/4 Sec. 10-34S-14E
Montgomery 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 as soon as practical after drilling operations have ceased.

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) 432-2300 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: File