

For KCC Use:
 Effective Date: 12-17-08
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
 December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be filled

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

Expected Spud Date: 12/17/2008
month day year

OPERATOR: License# 32912 ✓
 Name: Carroll Energy, LLC
 Address: 200 Arco Place, Suite 230, Box 149
 City/State/Zip: Independence, KS 67301
 Contact Person: Terry Carroll Jr.
 Phone: (620) 332-1600

CONTRACTOR: License# 33374 ✓
 Name: L & S Well Service, LLC

<input checked="" type="checkbox"/> Oil ✓	<input type="checkbox"/> Enh. Rec.	<input checked="" type="checkbox"/> Infills ✓	<input type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input checked="" type="checkbox"/> Air Rotary ✓
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic	<input type="checkbox"/> # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> 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: NW NW SW Sec. 31 Twp. 34S S. R. 19E East West
2283 feet from N S Line of Section
360 feet from E W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plot on reverse side)
 County: Labette
 Lease Name: ALLOWAY Well #: 31-A3
 Field Name: Edna

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

Nearest Lease or unit boundary: 360' ✓
 Ground Surface Elevation: 955 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: 2807' 100' ✓

Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe required: _____
 Projected Total Depth: 1000'
 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 to the best of my knowledge and belief of
 Date: 12/11/2008 Signature of Operator or Agent: [Signature] Title: Land Manager

For KCC Use ONLY
 API # 15: 099-24541-0000
 Conductor pipe required: None feet
 Minimum surface pipe required: 20 feet per Alt: X(2)
 Approved by: [Signature] 12-12-08
 This authorization expires: 12-12-09
 (This authorization void if drilling not started within 6 months of approval date.)
 Spud date: _____ Agent: 12

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;
 - 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
 Signature of Operator or Agent: _____
 Date: _____

Mall to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

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DEC 12 2008

CONSERVATION DIVISION
 WICHITA, KS

31 34 19E

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.

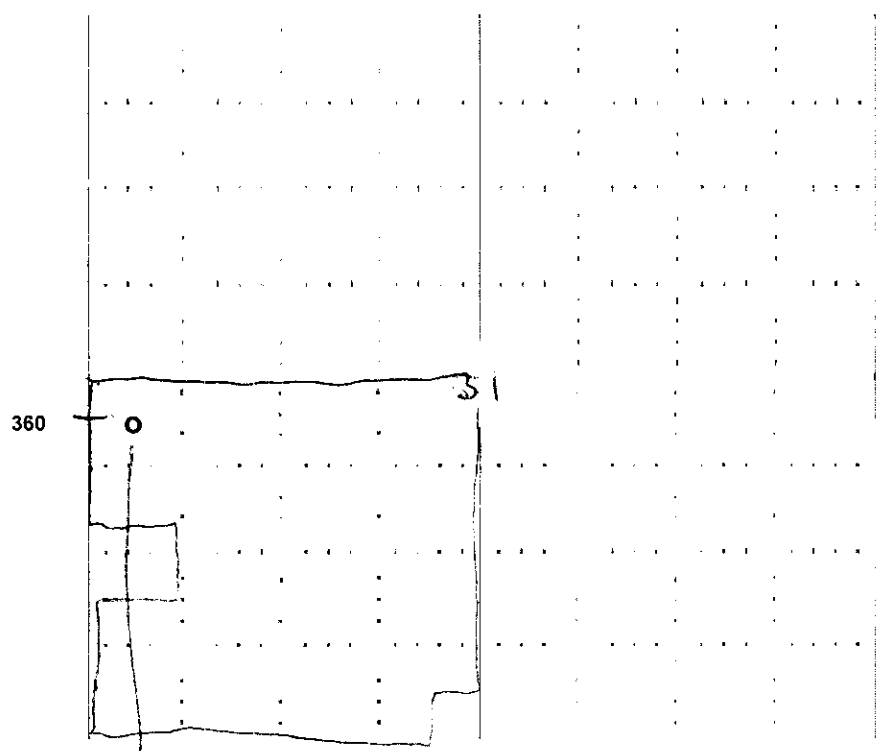
API No. 15 - **099-24541-0000**
 Operator **Carroll Energy, LLC**
 Lease **ALLOWAY**
 Well Number **31-A3**
 Field **Edna**

Number of Acres attributable to well **80**
 QTR / QTR / QTR of acreage **NW NW SW**

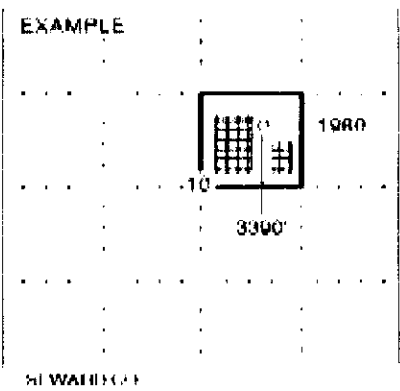
Location of Well: County **Labette**
 2283
 360
 feet from N E Line of Section
 feet from E W Line of Section
 Sec **31** Twp **34S** R **19E** East West
 Is Section Regular or Irregular
 If Section is Irregular, locate well from nearest corner boundary.
 Section corner used NE NW SE SW

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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 WICHITA, KS



NOTE: In all cases locate the spot of the proposed drilling location.
 2283


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 4 surrounding sections, 4 sections, etc)
2. The distance of the proposed drilling location from the section's south / north and east / west
3. The distance to the nearest lease or unit boundary line
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, CO-8 for gas wells)

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

Form CGP 1
April 2004
Forms must be Typed

Submit in Duplicate

Operator Name Carroll Energy, LLC		License Number 32912	
Operator Address 200 Arco Place, Suite 230, Box 149, Independence, KS 67301			
Contact Person Terry Carroll Jr.		Phone Number (620) 332-1600	
Lease Name & Well No ALLOWAY 31-A3		Pit Location (QQQQ) C . NW . NW . 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		Pit Location (Cont'd) Sec. 31 Top 34S R. 19E <input checked="" type="checkbox"/> East <input type="checkbox"/> West 2283 Feet from <input type="checkbox"/> North <input checked="" type="checkbox"/> South Line of Section 360 Feet from <input type="checkbox"/> East <input checked="" type="checkbox"/> West Line of Section	
Pit capacity 300 (bbls)		Labette County	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration NA 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	
Pit dimensions (all but working pits) Length (feet) 20		Width (feet) 8 N/A. Steel Pits	
Depth from ground level to deepest point 5 (feet)			
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 N/A feet Depth of water well feet		Depth to shallowest fresh water 20 feet Source of information: measured well owner electric log KIWR	
Emergency, Settling and Burn Pits ONLY.		Drilling, Workover and Haul-Off Pits ONLY.	
Producing Formation		Type of material utilized in drilling/workover FRESH WATER	
Number of producing wells on lease		Number of working pits to be utilized 1	
Barrels of fluid produced daily		Abandonment procedure AIR DRY	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		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			
Date 12/11/2008		Signature of Applicant or Agent 	
		RECEIVED KANSAS CORPORATION COMMISSION DEC 12 2008 CONSERVATION DIVISION WICHITA, KS	

15-096-2454-0000

KCC OFFICE USE ONLY

Date Received **12/12/08** Permit Number Permit Date **12/12/08** Lease Inspection Yes No

Mail to: KCC - Conservation Division, 139 S. Market - Room 2078, Wichita, Kansas 67202

KCC -- Conservation Division Forms -- 11/01/2007

Internet KCC Home Page -- <http://kcc.ks.gov>

Conservation Division Home Page -- <http://kcc.ks.gov/conservation/index.htm>

Conservation Division Forms -- <http://kcc.ks.gov/conservation/forms/index.htm>

ADOBE FILL-IN FORM ON INTERNET

FORM DATE

General Administrative

- 09/2005 ■ License Application OPL-1
- 04/2004 ■ Request for Change of Operator; Transfer of Injection or Surface Pit Permit T-1

Well Permitting

- 10/2007 ■ Notice of Intent to Drill C-1 Please use updated form on future filings.
- 04/2004 ■ Application for Surface Pit CDP-1
- 12/1993 ■ Cathodic Protection Borehole Intent to Drill CB-1

Well Completion Reports and Other Well Application

- 09/1999 ■ Well Completion Form ACO-1
- 09/2005 ■ Commingling Application ACO-4
- 05/1988 ■ Dual Completion Report ACO-5
- 09/2005 ■ Well Location Exception Application Check List ACO-17
- 09/2005 ■ Venting-Flaring of Gas ACO-18
- 09/2005 ■ Extended Gas Venting Affidavit CG-3
- 09/2005 ■ Coalbed Natural Gas Venting Affidavit CG-4
- 10/2004 ■ Temporary Abandonment Application CP-111
- 09/2003 ■ Verified Affidavit For Vacuum Operations V-1

Surface Pits and Waste Transfer

- 04/2004 ■ Application for Surface Pit CDP-1
- 04/2004 ■ Closure of Surface Pit CDP-4
- 04/2004 ■ Exploration and Production Waste Transfer CDP-5

Well Plugging Report

- 09/2003 ■ Well Plugging Application CP-1
- 12/2003 ■ Well Plugging Record CP-4
- 08/2003 ■ Seismic Hole Affidavit

Oil & Gas Well Testing Report

- 10/1996 ■ Oil Productivity Test & GOR Report C-5
- 10/1996 ■ Multi-Point Back Pressure Test CG-1
- 07/2003 ■ One Point Stabilized Open Flow or Deliverability Test G-2

Gas Gathering Report

- 04/1998 ■ Gas Gathering Report GG-1
- 04/1998 ■ Gas Gathering Segment Report GG-1a

Oil and Gas Producer's Report

- 06/1989 ■ Summary of Oil Producers Report CO-8, CO-8A
- 08/2000 ■ Gas Producer/Purchaser Monthly Report CG-7, CG-7A

Acreage Attribution and Well Spacing Report

- 12/1994 ■ Oil Acreage Attribution Plat CO-7
- 12/1994 ■ Gas Acreage Attribution Plat CG-8
- 05/1989 ■ Application for Well Spacing ACO-7

New Pool and Certificate of Enhancement Projects (Severance Tax Exemptions) Request

- 10/2005 ■ New Pool Determination-Discovery Allowable ACO-16
- 10/1999 ■ Application for Enhanced Recovery Project Certification CER-1, and
Calculation Sheet Base Production Calculation and Certification CER 1-A

Underground Injection Control Report

- 07/2003 ■ UIC Application U-1
- 07/2003 ■ Annual Report U3-C. This form is required on an annual basis due each March 1.
- 07/2003 ■ Notice of Injection (of commencement or termination of injection) U-5
- 07/2003 ■ Application to Amend Injection Order U-8
- 07/2003 ■ Notice to Modify Injection Order U-9

Wireline Service

- 08/2003 ■ Monthly Wireline Service Company Report MWSC-1