

For KCC Use: 2-25-2009
Effective Date: 3
District #: 3
SGA? ☐ Yes ☒ No

KANSAS 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: 2-25-09
month day 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 + _____
Contact Person: _____
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: _____
S2 SE Sec. 17 Twp. 33 S. R. 16 ☒ E ☐ W
(Q/Q/Q) 976 feet from ☐ N / ☒ S Line of Section
2,258 feet from ☒ E / ☐ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

Lease Name: SHAFFER Well #: 17-2
Field Name: SUNWEST Cherokee Basin Coal Area

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

Target Formation(s): RIVERTON

Nearest Lease or unit boundary line (in footage): 344

Ground Surface Elevation: 802 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: 90

Depth to bottom of usable water: 150

Surface Pipe by Alternate: ☐ I ☒ II

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe (if any): NA

Projected Total Depth: 1200 1260

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: 1-29-09 Signature of Operator or Agent: _____ Title: ENGINEERING MGR.

For KCC Use ONLY

API # 15 - 125-31865-00-00
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT. ☐ I ☒ II
Approved by: 2-20-2009
This authorization expires: 2-20-2010
(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: _____

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 - 125-31865-00-00
 Operator: CEP MID CONTINENT LLC
 Lease: SHAFFER
 Well Number: 17-2
 Field: SUNWEST

Number of Acres attributable to well: 80
 QTR/QTR/QTR/QTR of acreage: _____ - _____ - S2 - SE

Location of Well: County: MONTGOMERY
976 feet from ☐ N / ☒ S Line of Section
2,258 feet from ☒ E / ☐ W Line of Section
 Sec. 17 Twp. 33 S. R. 16 ☒ E ☐ W

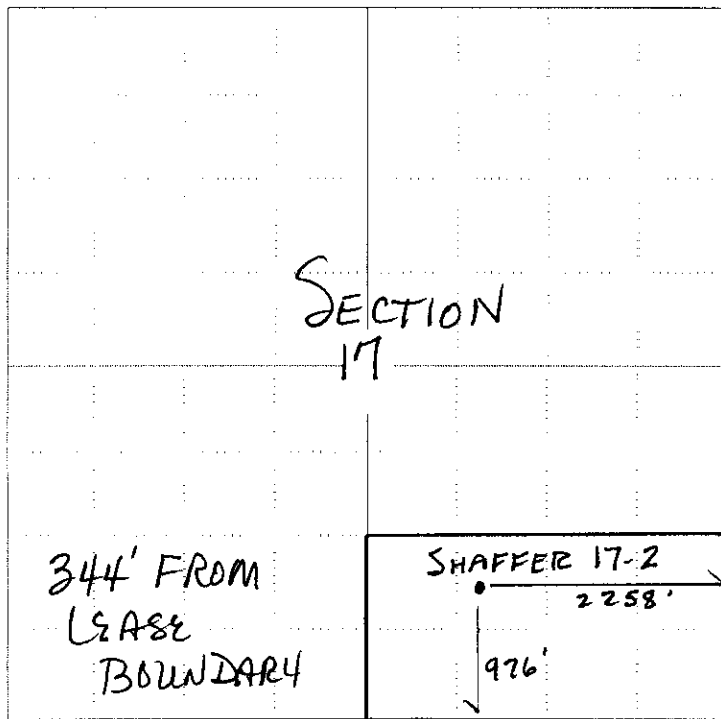
Is Section: ☒ Regular or ☐ Irregular

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

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

PLAT

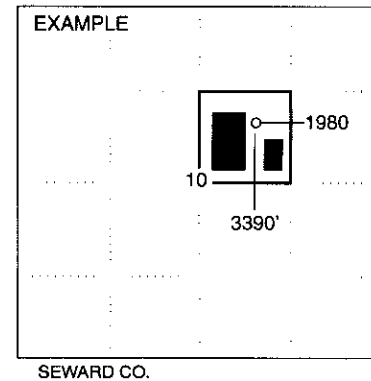
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)*



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

KANSAS COMMISSION

FEB 19 2009

CONSERVATION DIVISION
WICHITA, KS

SEWARD CO.

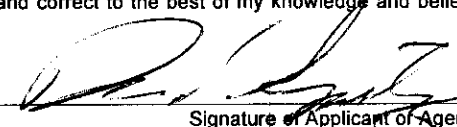
In plotting the proposed location of the well, you must show:

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).

**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: CEP MID CONTINENT LLC		License Number: 34027	
Operator Address: 15 WEST 6TH ST SUITE 1400		TULSA	OK 74119
Contact Person: DAVID SPITZ, ENG. MGR.		Phone Number: 918-877-2912 X309	
Lease Name & Well No.: SHAFFER 17-2		Pit Location (QQQQ): _____ SW _____ SE Sec. <u>17</u> Twp. <u>33</u> R. <u>16</u> ☒ East ☐ West <u>976</u> Feet from ☐ North / ☒ South Line of Section <u>2,258</u> Feet from ☒ East / ☐ West Line of Section MONTGOMERY _____ County	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)		Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: 1,710 (bbls)	
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No		Artificial Liner? ☐ Yes ☒ No	
		How is the pit lined if a plastic liner is not used? NATIVE CLAYS	
Pit dimensions (all but working pits): _____ 30 _____ Length (feet) _____ 40 _____ Width (feet) _____ Depth from ground level to deepest point: _____ 8 _____ (feet) _____ 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 _____ 3000 _____ feet Depth of water well _____ 100 _____ feet		Depth to shallowest fresh water _____ 15 _____ feet. Source of information: ☐ measured ☐ well owner ☐ electric log ☒ 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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: FRESH WATER Number of working pits to be utilized: 1 Abandonment procedure: AIRDRIED AND BACKFILLED 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. KANSAS CORPORATION COMMISSION			
2-16-09 Date	 Signature of Applicant or Agent		FEB 19 2009 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY			
Steel Pit ☐		RFAC ☐ RFAS ☐	
Date Received: <u>2/19/09</u>	Permit Number: _____	Permit Date: <u>2/19/09</u>	Lease Inspection: ☐ Yes ☒ No

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

15-125-31865-00-00