

CORRECTED

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For KCC Use: Effective Date: 6-9-2009 District # 3 SGA? Yes No

KANSAS CORPORATION COMMISSION 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: June 9, 2009 month day year

OPERATOR: License# 31002 Name: Kelly Company, LC Address 1: 9746 Plumm Road Address 2: City: Lenexa State: KS Zip: 66215 Contact Person: Jim O. Guinotte Phone: (620) 432-4545

CONTRACTOR: License# 5989 Name: Kurt Finney dba Finney Drilling Company

Well Drilled For: Oil Gas Seismic Other Well Class: Enh Rec Storage Disposal Infield Pool Ext Wildcat Other Type Equipment: Mud Rotary Air Rotary Cable

Operator: Well Name: Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Spot Description: NW SW NW Sec. 14 Twp. 14 S. R. 22 feet from N S Line of Section feet from E W Line of Section Is SECTION: Regular Irregular?

County: Johnson Lease Name: Knebe-D Field Name: Gardner Is this a Prorated / Spaced Field? Target Formation(s): Bartlesville

Nearest Lease or unit boundary line (in footage): 220' Ground Surface Elevation: 1,000 est. feet MSL Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 200+ Depth to bottom of usable water: 300' Surface Pipe by Alternate: Length of Surface Pipe Planned to be set: 20' Length of Conductor Pipe (if any): Projected Total Depth: 900 ft. Formation at Total Depth: Bartlesville Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #:

Will Cores be taken? If Yes, proposed zone: Bartlesville

*WAS: NE-SE-SW-NW; 3070 FSL, 4130' FEL; NLUB: 430' IS: NW-SW-SW-NW; 3000' FSL, 5060' FEL; NLUB: 220'

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 17-1105 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; 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.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: June 4, 2009 Signature of Operator or Agent: Donna Thanda Title: Agent

For KCC Use ONLY API # 15: 091-23361-00-00 Conductor pipe required None feet Minimum surface pipe required 20 feet per ALT. Approved by: Date: 6-4-2009 This authorization expires: 6-4-2010 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:

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**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

CORRECTED
Submit in Duplicate

Operator Name: Kelly Company, LC		License Number: 31002	
Operator Address: 9746 Pflumm Road		Lenexa KS 66215	
Contact Person: Jim O. Guinotte		Phone Number: (620) 432-4545	
Lease Name & Well No.: Knabe-D KAI-2		Pit Location (QQQQ): <u>NW</u> - <u>SW</u> <u>SW</u> - <u>NW</u> Sec. <u>14</u> Twp. <u>14</u> R. <u>22</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>3,000</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>5,060</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Johnson 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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 120 (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ 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	How is the pit lined if a plastic liner is not used? native clay	
Pit dimensions (all but working pits): <u>10</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>5</u> (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	
Distance to nearest water well within one-mile of pit <u>n/a</u> feet Depth of water well _____ feet		Depth to shallowest fresh water <u>30</u> AUG 03 2009 Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> KCC WICHITA	
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>drilling mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Let air dry and backfill</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.			
Date: <u>June 4, 2009</u>		Signature of Applicant or Agent: <u>Ronna Thanda</u> RECEIVED	
KCC OFFICE USE ONLY			
Date Received: <u>6/4/09</u> Permit Number: _____		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/> Permit Date: <u>6/3/09</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

15-091-23361-00-00