

For KCC Use: 8-9-2009
 Effective Date: _____
 District # 4
 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: 8 30 09
 month day year

OPERATOR: License# 34087
 Name: Gerard Oil Company
 Address 1: 1205 2Rd
 Address 2: _____
 City: Damar State: KS Zip: 67632
 Contact Person: John Benoit
 Phone: 785 - 421 - 8605

CONTRACTOR: License# 34087
 Name: Gerard Oil Company

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Enh Rec Storage Disposal
 Infield Pool Ext. Wildcat Other _____
 Type Equipment: Mud Rotary Air Rotary Cable
 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 #: _____

**If elevation falls below 200'; special surface casing requirements will apply (conductor or BOP) see attached.*

Spot Description: ESE NW - NW Sec. 11 Twp. 8 S. R. 21 E W
 (a/a/a) 1,130 feet from N / S Line of Section
1,250 feet from E / W Line of Section

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

County: Graham
 Lease Name: Lucky B Well #: 1
 Field Name: Switzer

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

Nearest Lease or unit boundary line (in footage): 1750
 Ground Surface Elevation: 2015 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: 188 150
 Depth to bottom of usable water: 800

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 220

Length of Conductor Pipe (if any): N/A
 Projected Total Depth: 3600

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: _____

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: 7-23-09 Signature of Operator or Agent: John Benoit Title: owner

For KCC Use ONLY
 API # 15 - 065-23566-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per ALT. I II
 Approved by: John Benoit 8-4-2009
 This authorization expires: 8-4-2010
 (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: _____

11
8
21
 E
 W

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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 - 065-23566-00-00
Operator: Gerard Oil Company
Lease: Lucky B
Well Number: 1
Field: Switzer
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: SE - NW - NW - _____

Location of Well: County: Graham
1,130 feet from N / S Line of Section
1,250 feet from E / W Line of Section
Sec. 11 Twp. 8 S. R. 21 E W

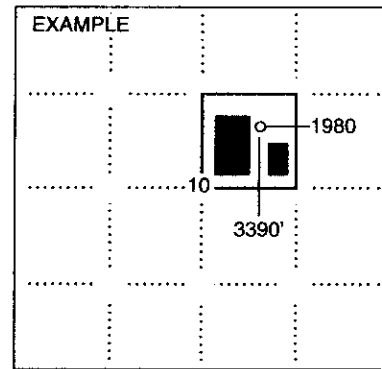
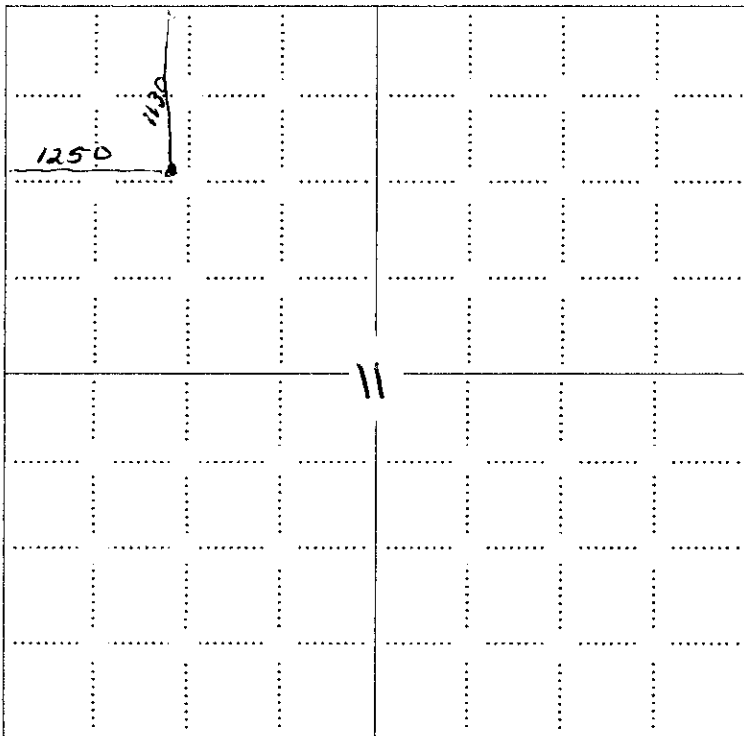
Is Section: Regular or Irregular

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 locaton.

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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).

APPLICATION FOR SURFACE PIT JUL 23 2009

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Submit in Duplicate

Operator Name: Gerard Oil Company		License Number: 34087	
Operator Address: 1205 2Rd		Damar KS. 67632	
Contact Person: John Benoit		Phone Number: 785 - 421 - 8605	
Lease Name & Well No.: Lucky B 1		Pit Location (QQQQ): e5E NW NW	
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: 1,600 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: 800 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used?		_____	
Pit dimensions (all but working pits): <u>75</u> Length (feet) <u>75</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>3</u> (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 6mm Plastic Liner		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Visual Check	
Distance to nearest water well within one-mile of pit <u>2617</u> feet Depth of water well <u>58</u> feet		Depth to shallowest fresh water <u>800</u> <u>8</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" 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>FCI</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Air Dry Back Fill</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>7-23-09</u> Date		<u>John Benoit</u> Signature of Applicant or Agent	

15065-23560-00-00

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>7/23/09</u>	Permit Number: _____	Permit Date: <u>7/28/09</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Normal DIST

Graham County

In all except the special area identified below, cement surface pipe through the Dakota formation plus 50 feet into the underlying formation. The following options are open:

- (a) cement surface pipe through the Dakota plus 50 feet into the underlying formation or
- (b) cement surface pipe through all unconsolidated material plus 50 feet below the base of the Dakota to the surface.

If (b) is used and the hole is dry, refer to K.A.R. 82-3-114.

- **Within those areas of Township 7 South and 8 South of Range 21 West below surface elevation 2000 feet, the following large surface pipe or 8 5/8 inch surface pipe systems may be used. If the large surface pipe is used, surface pipe of at least 13 3/8 inches in diameter shall be cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation with a minimum of 40 feet being used. Then the options are:**

(a) set intermediate pipe to the Stone Corral (Anhydrite) and cement from the Stone Corral to surface or

(b) cement the production string from the Anhydrite to surface immediately after it has been set.

If (b) is used and the hole is dry, plug per K.A.R. 82-3-114.

If the 8 5/8 inch surface pipe system is used, it will be set and cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation. A blowout preventor will be installed on the surface pipe. If serious flow problems occur, the hole will be plugged per K.A.R. 82-3-114. If the hole is completed and production pipe installed, cement the production string from the Stone Corral to surface immediately after it has been set. If the hole is dry, plug immediately per K.A.R. 82-3-114.

If Alternate II is used in the above listed special area, follow the procedure outlined in K.A.R. 82-3-106. The option for 120 days to complete cementing is not available and the operator should cement production casing from the Stone Corral to surface immediately.