

CORRECTED * Corrected

For KCC Use:-
Effective Date: 8-2-2009
District # 4
SGA? Yes No

AUG 06 2009

NOTICE OF INTENT TO DRILL RECEIVED

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

Expected Spud Date: 08 13 2009
month day year

OPERATOR: License# 6627
Name: Prospect Oil & Gas Corp.
Address 1: PO Box 837
Address 2: _____
City: Russell State: KS Zip: 67865
Contact Person: Brad Hutchison
Phone: 785-483-0492
CONTRACTOR: License# 33350
Name: Southwind Drilling, Inc.

Spot Description: 145' North & 55' West of
NW - NW - SE - NE Sec. 3 Twp. 13 S. R. 14 E W
(0000) 1,340 feet from N / S Line of Section
1,210 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: Russell
Lease Name: Krug Well #: 1
Field Name: _____

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary line (in footage): 640'

Ground Surface Elevation: 1640' 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: 220' / 170'
Depth to bottom of usable water: 420' / 280'
Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 250' - 850'
Length of Conductor Pipe (if any): 0'
Projected Total Depth: 3250'
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
 Well Farm Pond Other: Water haul
DWR Permit #: _____
(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone: _____

Well Drilled For: Oil Gas
Well Class: Enh Rec Storage Disposal
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 #: _____

* Change from Alternate II to Alternate I & set 850' surface pipe
Min Surf pipe = 300 alt I

AFFIDAVIT Rene Kasselman
Agent
08-05-09

KANSAS CORPORATION COMMISSION
JUL 28 2009
RECEIVED

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: 7/27/2009 Signature of Operator or Agent: Rene Kasselman Title: Agent

For KCC Use ONLY
API # 15 - 167-23591-00-00
Conductor pipe required None feet
Minimum surface pipe required 300 feet per ALT. I II
Approved by: [Signature] 7-28-2009 / [Signature] 8-6-2009
This authorization expires: 7-28-2010
(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: _____

3
13
14
 E
 W