

For KCC Use:
 Effective Date: 11-22-2009
 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: November 18 2009
month day year

OPERATOR: License# 5386
 Name: PRODUCTION DRILLING, INC.
 Address 1: 1023 Reservation Road
 Address 2: _____
 City: Hays State: KS Zip: 67601 +
 Contact Person: Aven Weaverling
 Phone: (785) 625-1182
 CONTRACTOR: License# 31548
 Name: Discovery Drilling Co., Inc.

Spot Description: 200'S & 250'W of
SW SW SE Sec. 12 Twp. 8 S. R. 22W E W
(0000) 130 feet from N / S Line of Section
2260 2560 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: RHTAM Well #: 1
 Field Name: Wildcat

Is this a Prorated / Spaced Field? LKC & Arbuckle Yes No

Target Formation(s): _____
 Nearest Lease or unit boundary line (in footage): 130' 400' per Oper.

Ground Surface Elevation: 2560 out 2060 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: 150'
 Depth to bottom of usable water: 1000' 780'

Surface Pipe by Alternate: I II 200'
 Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): None
 Projected Total Depth: 4150'

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: _____

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NOV 16 2009

CONSERVATION DIVISION
 WICHITA, KS

PROPERTY DESCRIPTION SUBMITTED

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: 13 Nov. 2009 Signature of Operator or Agent: Thomas J. [Signature] Title: Agent

For KCC Use ONLY
 API # 15 - 065-23599-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per ALI: I II
 Approved by: [Signature] 11-17-2009
 This authorization expires: 11-17-2010
(This authorization void if drilling not started within 12 months of approval date.)
 Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form GDP-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: _____

11-8-22-09

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 - 065-23599-0000
 Operator: PRODUCTION DRILLING, INC.
 Lease: RHIAN
 Well Number: 1
 Field: Wildcat
 Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: Graham
130 feet from N / S Line of Section
2560 feet from E / W Line of Section
 Sec. 12 Twp. 8 S. R. 22W E W

Is Section: Regular or Irregular

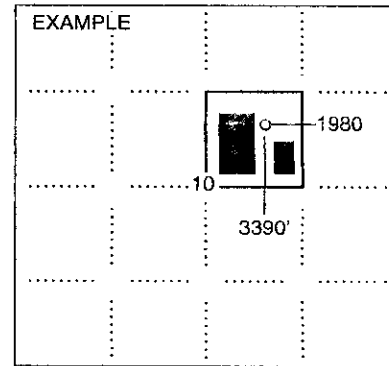
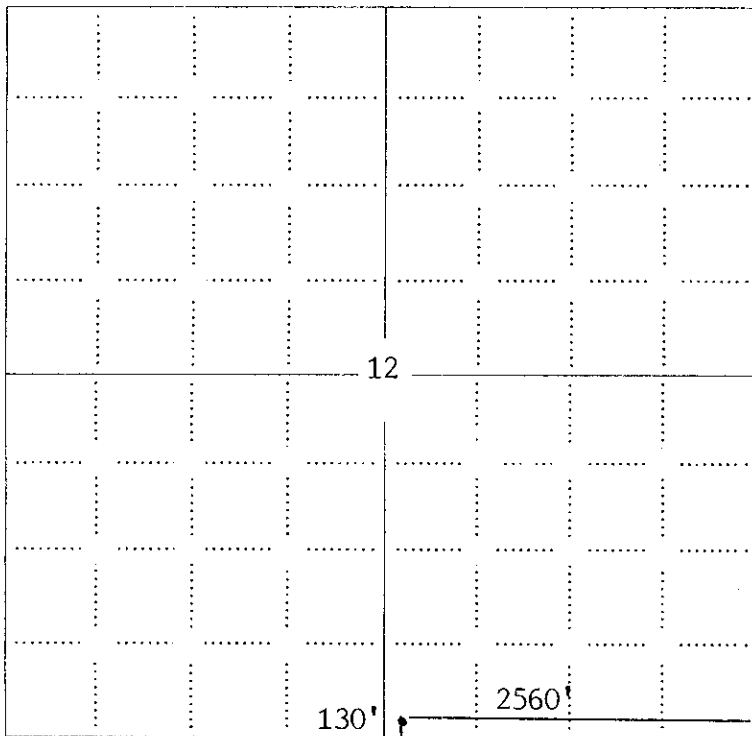
If Section is Irregular, locate well from nearest corner boundary.

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.)



SEWARD CO.

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

Graham Co., KS

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).

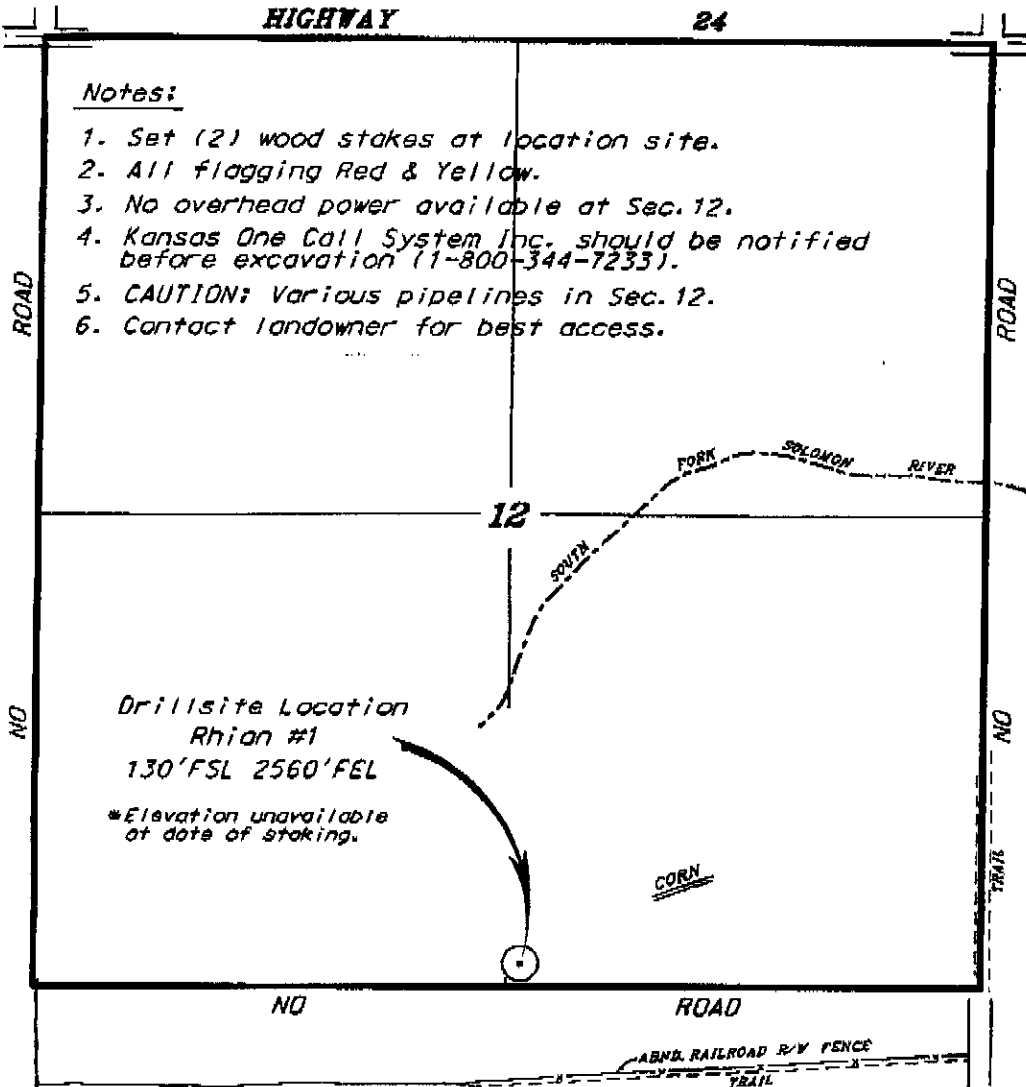
PRODUCTION DRILLING, INC.
RHIAN LEASE
SE.1/4, SECTION 12, T8S, R22W
GRAHAM COUNTY, KANSAS

15-005-23599-00-00

Notes:

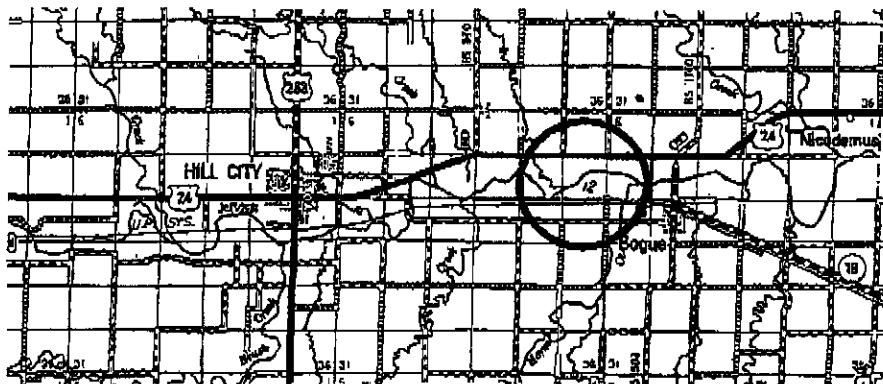
1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. No overhead power available at Sec.12.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec.12.
6. Contact landowner for best access.

*Ingress and egress to location as shown on this plot is for usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Drillsite Location
Rhian #1
130'FSL 2560'FEL

*Elevation unavailable at date of staking.



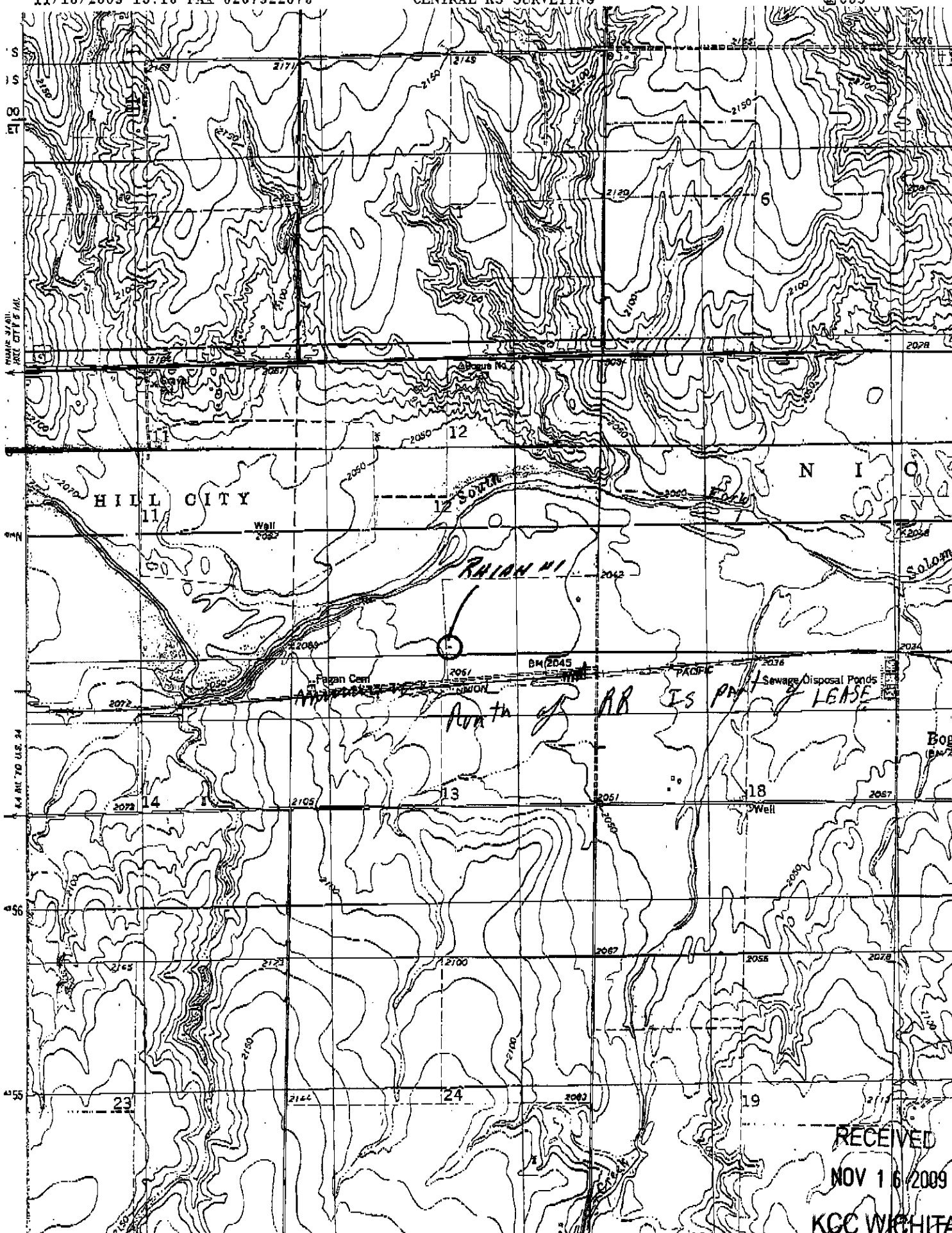
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- Contouring data is based upon the best data and photographs available to us and upon a regular section of land containing 640 acres.

- All distances, bearings, and area determined using the normal standards of care of all field surveyors practicing in the State of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator accepting this service and accepting this plot and all other services relating thereto, agrees to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and hold drilling equipment from any liability from the liability of consequential damages.

- Elevations derived from National Geodetic Vertical Datum.

Date November 13, 2009

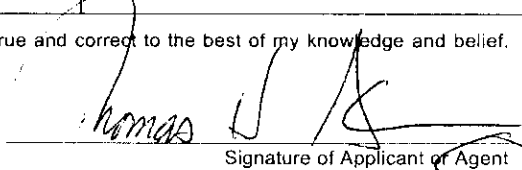


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 KGC WICHITA

**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: PRODUCTION DRILLING, Inc.		License Number: 5386
Operator Address: 1023 Reservation Road Hays, KS 67601		
Contact Person: Aven Weaverling		Phone Number: (785) 625 - 1182
Lease Name & Well No.: RHIAN # 1		Pit Location (QQQQ): 200'S & 250'W of _____ SW _____ SW _____ SE
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 <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 3000 (bbls)	Sec. 12 Twp. 8S R. 22W <input type="checkbox"/> East <input checked="" type="checkbox"/> West 130 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2260 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Graham County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
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? Clay soil, native and fresh mud.
Pit dimensions (all but working pits): 70 Length (feet) 70 Width (feet) 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.
		RECEIVED KANSAS CORPORATION COMMISSION NOV 16 2009 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit 2982 feet Depth of water well 40 feet	Depth to shallowest fresh water 20 feet. Source of information: JP-KGS _____ 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? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh Mud Number of working pits to be utilized: 3 Abandonment procedure: Allow liquid contents to evaporate, let cuttings dry and backfill. Drill pits must be closed within 365 days of spud date.	15-065-23599-0000
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
November 13, 2009 Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY			
Date Received: 11/16/09	Permit Number: _____	Permit Date: 11/17/09	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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