

For KCC Use: Effective Date: 12-13-2009 District # 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: December 20, 2009 month day year

OPERATOR: License# 32204 Name: REDLAND RESOURCES, INC. Address 1: 6001 NW 23RD STREET Address 2: City: OKLAHOMA CITY State: OK Zip: 73127 Contact Person: ALAN THROWER Phone: 405.789.7104

CONTRACTOR: License# 5929 Name: DUKE DRILLING

Well Drilled For: Oil, Gas, Seismic, Other; Well Class: 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: C - NW - NE Sec. 16 Twp. 35 S. R. 12 E W 660 feet from N S Line of Section 1,980 feet from E W Line of Section

Is SECTION: Regular Irregular? County: BARBER Lease Name: GREGORY Well #: 16-2 Field Name: HARDNER

Is this a Prorated / Spaced Field? Target Formation(s): MISSISSIPPIAN

Nearest Lease or unit boundary line (in footage): 660 feet MSL Ground Surface Elevation: 1396 Water well within one-quarter mile: Public water supply well within one mile:

Depth to bottom of fresh water: 150 Depth to bottom of usable water: 180 Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: 250 Length of Conductor Pipe (if any): 60

Projected Total Depth: 5350 Formation at Total Depth: MISSISSIPPIAN

Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #:

Will Cores be taken? If Yes, proposed zone: RECEIVED NOV 25 2009 KCC WICHITA

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; 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: 11/24/09 Signature of Operator or Agent: Sally R. Byers Title: AGENT

For KCC Use ONLY API # 15 - 007-23484-00-00 Conductor pipe required None feet Minimum surface pipe required 200 feet per ALT. Approved by: 12-8-2009 This authorization expires: 12-8-2010 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:

16 35 12

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 - 007-23484-00-00
Operator: REDLAND RESOURCES, INC.
Lease: GREGORY
Well Number: 16-2
Field: HARDTNER

Location of Well: County: BARBER
660 feet from N / S Line of Section
1,980 feet from E / W Line of Section
Sec. 16 Twp. 35 S. R. 12 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - C - NW - NE

Is Section: Regular or Irregular

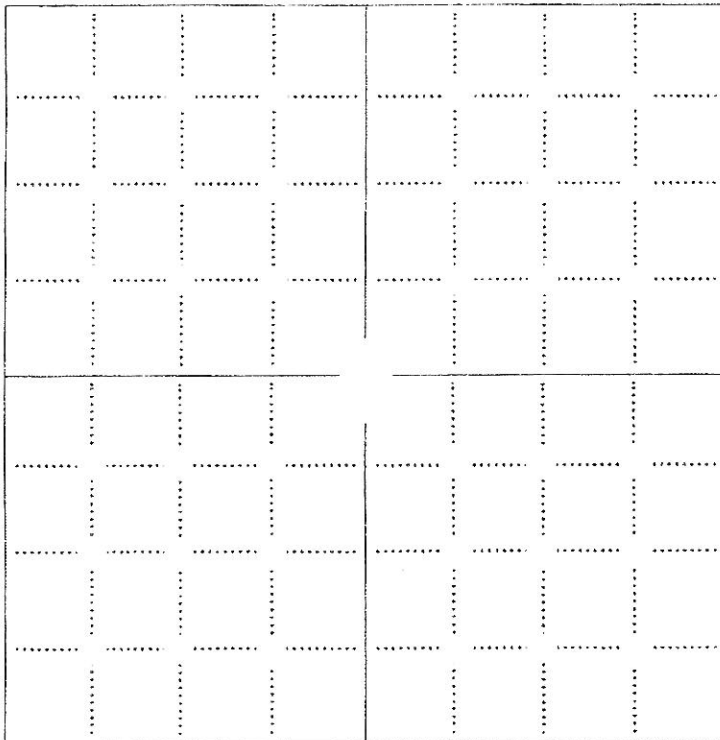
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

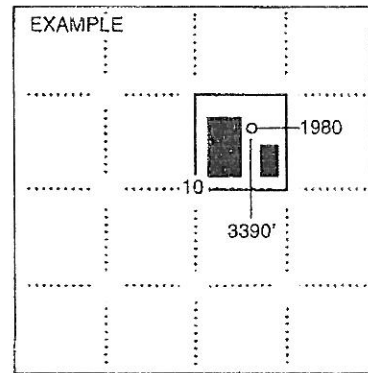
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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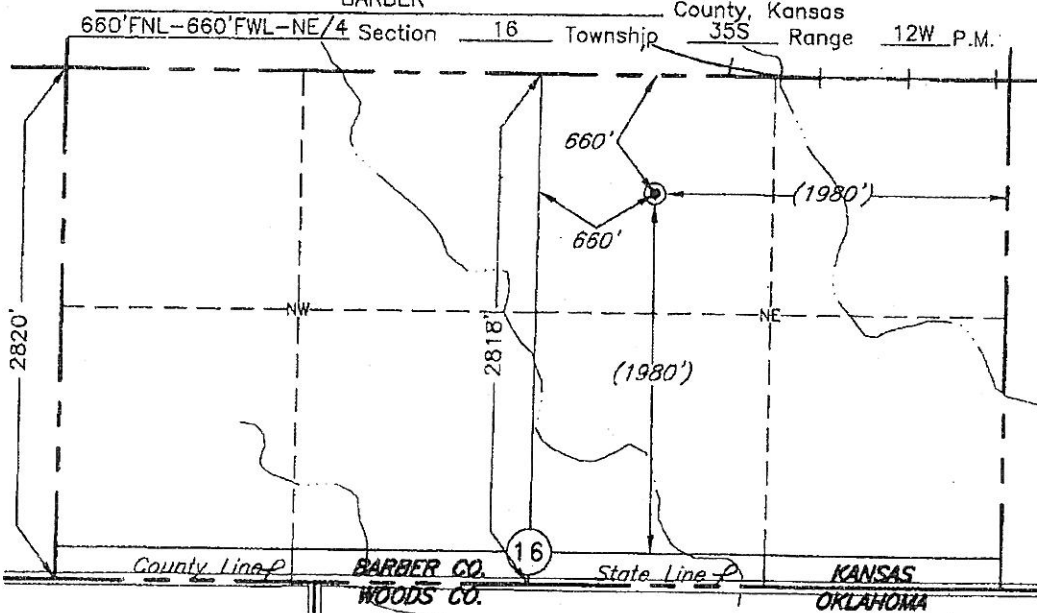
NOTE: In all cases locate the spot of the proposed drilling locaton.

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;

15-007-23484-00-00

TOPOGRAPHIC LAND SURVEYORS
6709 NORTH CLASSEN BLVD., OKLAHOMA CITY, OKLA. 73118 * LOCAL (405) 843-4847 * OUT OF STATE (800) 654-3219
Certificate of Authorization No. LS-99, Exp. Dec 31, 2010
BARBER



*** CONTACT ALAN WATSON WITH ANY LOCATION/PIT QUESTIONS (580)571-7609**

GRID Scale: 1" = 1000'

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This location has been very carefully staked on the ground according to the best official survey records, maps, and photographs available to us, but its accuracy is not guaranteed. Review this plat and notify us immediately of any possible discrepancy.

Distances shown in (parenthesis) are calculated based upon the Quarter Section being 2640 feet, and have not been measured.

Operator: REDLAND RESOURCES, INC.
Lease Name: GREGORY

Well No.: 16-2 **ELEVATION:** 1396' Gr. at Stake

Topography & Vegetation Loc. fell in level terraced wheat field

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

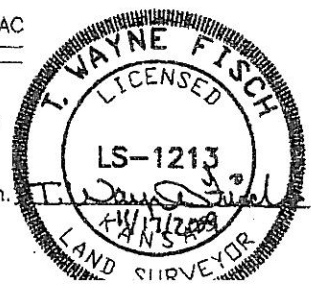
Best Accessibility to Location From South
Distance & Direction from Hwy Jct or Town From Hardtner, KS, go 1.0 mi. South, then ±1.5 mi. East, then ±0.5 mi. North through Sec. 16 to the NE Cor. of Sec. 16-T35S-R12W

The following information was gathered using a GPS receiver Accuracy ±2-3 Meters.

Invoice # 150790 Date Staked: Nov. 11, 2009 AC

GPS
DATUM: NAD-27
LAT: 37°00'17.3"N
LONG: 98°37'43.4"W
STATE PLANE
COORDINATES:
ZONE: KANSAS SOUTH
X: 1962406

CERTIFICATE:
I, T. Wayne Fisch a Registered Land Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.
Kansas Reg. No. 1213



**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: REDLAND RESOURCES, INC.		License Number: 32204	
Operator Address: 6001 NW 23RD STREET		OKLAHOMA CITY OK 73127	
Contact Person: ALAN THROWER		Phone Number: 405.789.7104	
Lease Name & Well No.: GREGORY 16-2		Pit Location (QQQQ): _____ NW _____ NE Sec <u>16</u> Twp. <u>35</u> R. <u>12</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West _____ Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section _____ Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section BARBER 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: _____ (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? NATURAL PERMEABILITY			
Pit dimensions (all but working pits): <u>150</u> Length (feet) <u>150</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</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 NOV 25 2009 KCC WICHITA	
Distance to nearest water well within one-mile of pit <u>3780</u> feet Depth of water well <u>90</u> feet		Depth to shallowest fresh water <u>27</u> feet. Source of information: <input type="checkbox"/> measured <input 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>FRESH</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>EVAPORATION/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.			
_____ 11/24/09 Date		_____ Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: <u>11-25-09</u> Permit Number: _____		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/>	
Permit Date: <u>12-8-09</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-007-23484-0000



Mark Parkinson, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

December 8 2009

Redland Resources, Inc.
6001 NW 23rd St
Oklahoma City, OK 73127

RE: Drilling Pit Application
Gregory Lease Well No. 16-2
NE/4 Sec. 16-35S-12W
Barber County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes". The signature is written in a cursive style.

Kathy Haynes
Department of Environmental Protection and Remediation

cc: File