

2ND

CORRECTED

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

Expected Spud Date: November 18 2009 month day year

Spot Description: 200'S & 250'W of SW SW SE Sec. 12 Twp. 8 S. R. 22W E W 130 feet from N / S Line of Section 2560 feet from E / W Line of Section Is SECTION: Regular Irregular?

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

(Note: Locate well on the Section Plat on reverse side) County: Graham Lease Name: RHIAN Well #: 1 Field Name: Wildcat

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

Is this a Prorated / Spaced Field? Yes No Target Formation(s): LRC & Arbuckle Nearest Lease or unit boundary line (in footage): 120' 400' P... Ground Surface Elevation: 2060 EGL 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 Length of Surface Pipe Planned to be set: 200' Length of Conductor Pipe (if any): None Projected Total Depth: 4150' Formation at Total Depth: Arbuckle

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 #:

Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #: Will Cores be taken? Yes No If Yes, proposed zone:

PROPERTY DESCRIPTION SUBMITTED

AFFIDAVIT

Was: RIAHN 11-30-2009 Was: RHIAN 11-17-09 Is: RHIAN 12-9-09

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NOV 16 2009

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:

CONSERVATION DIVISION WICHITA, KS

- 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: Title: Agent

For KCC Use ONLY API # 15 - 065-23599-00-00 Conductor pipe required None feet Minimum surface pipe required 200 feet per AL I II Approved by: [Signature] This authorization expires: 11-17-2010 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:

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

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KCC WICHITA

11-8-22

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

CORRECTED

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 - 065-23599-00-00
 Operator: PRODUCTION DRILLING, INC.
 Lease: RHIAN
 Well Number: 1
 Field: Wildcat

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

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____

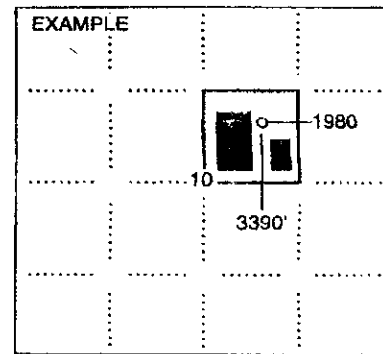
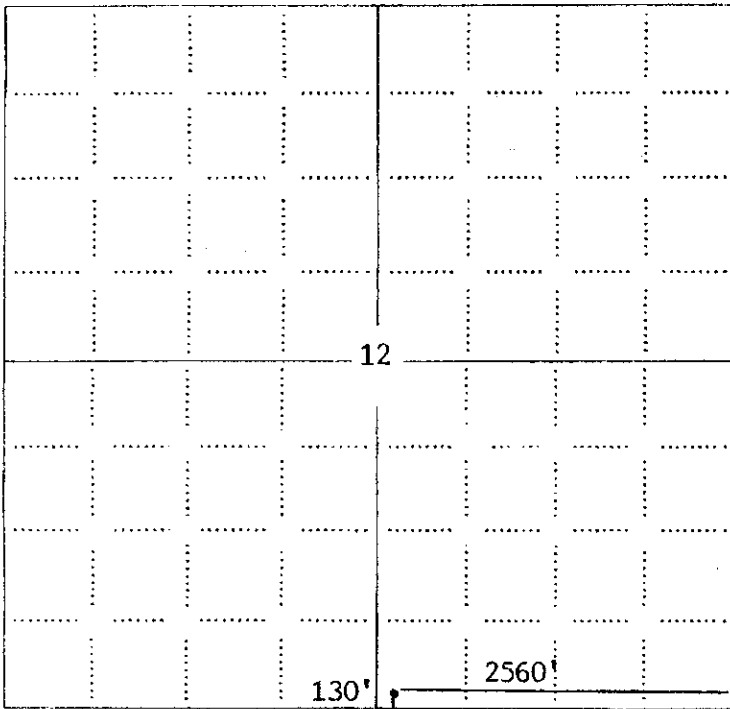
Is Section: Regular or Irregular

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 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).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

CORRECTED

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 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 2560 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Graham 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 <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 (bbbls)	
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 30 feet. Source of information: JR-KCS 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
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		OK

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

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KCC WICHITA

15045-23599-0000