

\* Corrected WAS: Alt II 200' \* CORRECTED  
 IS: Alt I 400'

For KCC Use: 2-17-2010  
 Effective Date: 4  
 District # 4  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

\* WAS: Depth to usable 340 IS: 380  
 \* WAS: Min. surface pipe 200 Alt II  
 IS: 400 Alt I  
 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: 2 month 22 day 2010 year

Spot Description:  
 SW - SW - SE - SW Sec. 29 Twp. 13 S. R. 12  E  W  
 (00000) 150 feet from  N /  S Line of Section  
1,430 feet from  E /  W Line of Section  
 SECTION:  Regular  Irregular?

OPERATOR: License# 6627  
 Name: Prospect Oil & Gas Corp.

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Address 1: P.O. Box 837  
 Address 2: \_\_\_\_\_

City: Russell State: KS Zip: 67685

MAR 30 2010

Contact Person: Brad Hutchinson  
 Phone: 785-483-6266

CONTRACTOR: License# 33905  
 Name: Royal Drilling, Inc.

(Note: Locate well on the Section Plat on reverse side)  
 County: Russell

Lease Name: Holland-Steinle Well #: 1  
 Field Name: N/A

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

Nearest Lease or unit boundary line (in footage): 150  
 Ground Surface Elevation: 1823 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: 100  
 Depth to bottom of usable water: 380

Surface Pipe by Alternate  Alt I  Alt II 400'  
 Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe (If any): \_\_\_\_\_  
 Projected Total Depth: 3400  
 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: \_\_\_\_\_

Well Drilled For:  Oil  Gas  Seismic; # of Holes \_\_\_\_\_  
 Enh Rec  Storage  Disposal  Other: \_\_\_\_\_  
 Well Class:  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 #: \_\_\_\_\_

Oil & gas Leases w/pooling clauses 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:

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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: 2-11-2010 Signature of Operator or Agent: Sherry Payne Title: Agent

For KCC Use ONLY  
 API # 15 - 167-23616-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 400 feet per ALT.   
 Approved by: KCM 2-12-2010  
 This authorization expires: 2-12-2011  
 (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: \_\_\_\_\_

29  
 13  
 12  
 E  W