

For KCC Use: 3-22-2010
Effective Date: 3
District # 3
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: 05 01 2010
month day year

OPERATOR: License# 34027
Name: CEP Mid-Continent LLC
Address 1: 15 West Sixth Street, Suite 1100
Address 2: _____
City: Tulsa State: OK Zip: 74070 + 5405
Contact Person: Rodney Tate, D&C Engineer
Phone: 918-877-2912, ext. 306

CONTRACTOR: License# 34126
Name: Smith Oilfield Services, Inc.

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic; # of Holes _____ 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 #: _____

MAR 17 2010

CONSERVATION DIVISION
WICHITA, KS

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: 3/14/10 Signature of Operator or Agent: _____ Title: D & C Engineer

For KCC Use ONLY
API # 15 - 125-31947-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT. I II
Approved by: Kum 3-17-2010
This authorization expires: 3-17-2011
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Spot Description: _____
_____ - SW - SE Sec. 6 Twp. 33 S. R. 17 E W
(N/A) 355 feet from N / S Line of Section
3,084 feet from E / W Line of Section

Is SECTION: Regular Irregular? _____

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

County: Montgomery

Lease Name: KNISLEY Well #: 6-8

Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Weir-Pitt, Rowe, Riverton Coals

Nearest Lease or unit boundary line (in footage): 355'

Ground Surface Elevation: 804' GL (809' KB) 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: 150'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 20' est.

Length of Conductor Pipe (if any): None

Projected Total Depth: 1100' KB

Formation at Total Depth: Mississippi

Water Source for Drilling Operations:

Well Farm Pond Other: City

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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: _____

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 - 125-31947-00-00
 Operator: CEP Mid-Continent LLC
 Lease: KNISLEY
 Well Number: 6-8
 Field: Cherokee Basin Coal Area
 Number of Acres attributable to well: 627.5
 QTR/QTR/QTR/QTR of acreage: _____ - _____ - SW - SE

Location of Well: County: Montgomery
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. 6 Twp. 33 S. R. 17 E W

Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

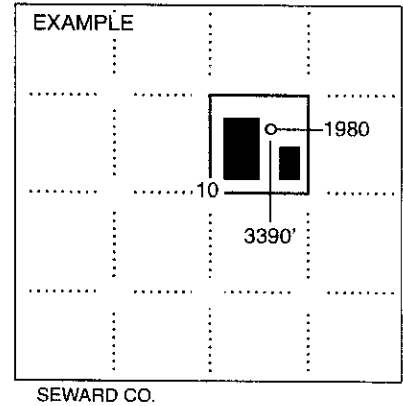
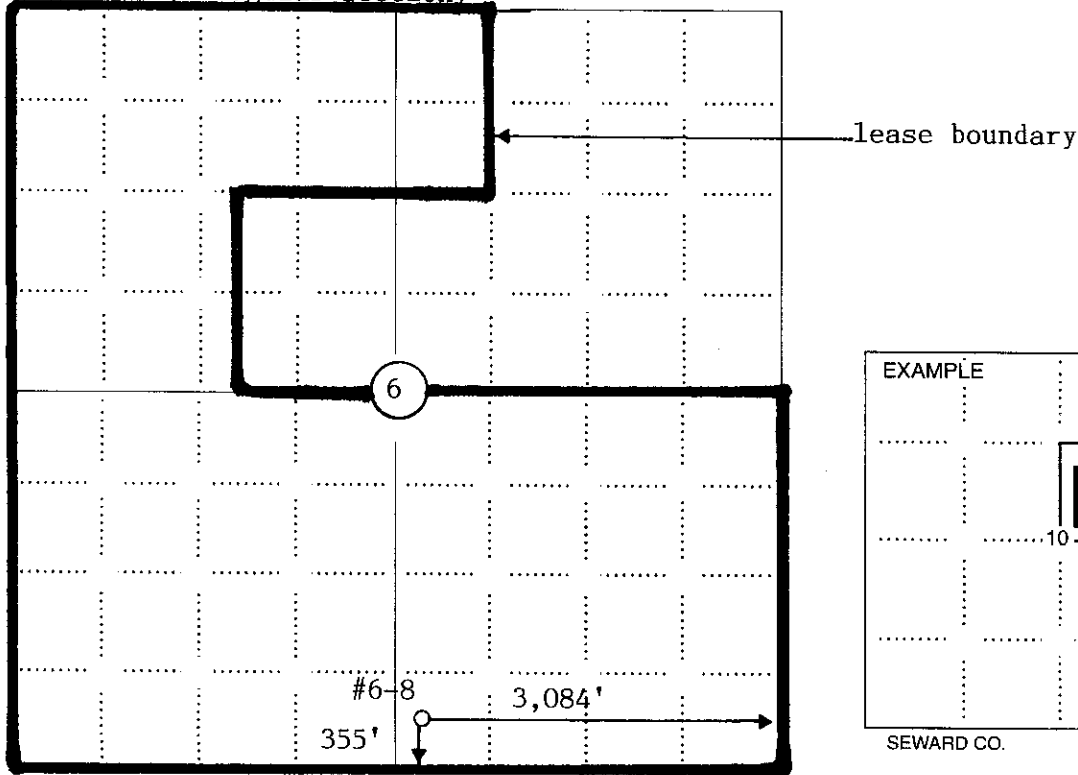
REGISTERED
 MONTGOMERY COUNTY

MAR 17 2010

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.)

(Irregular section)



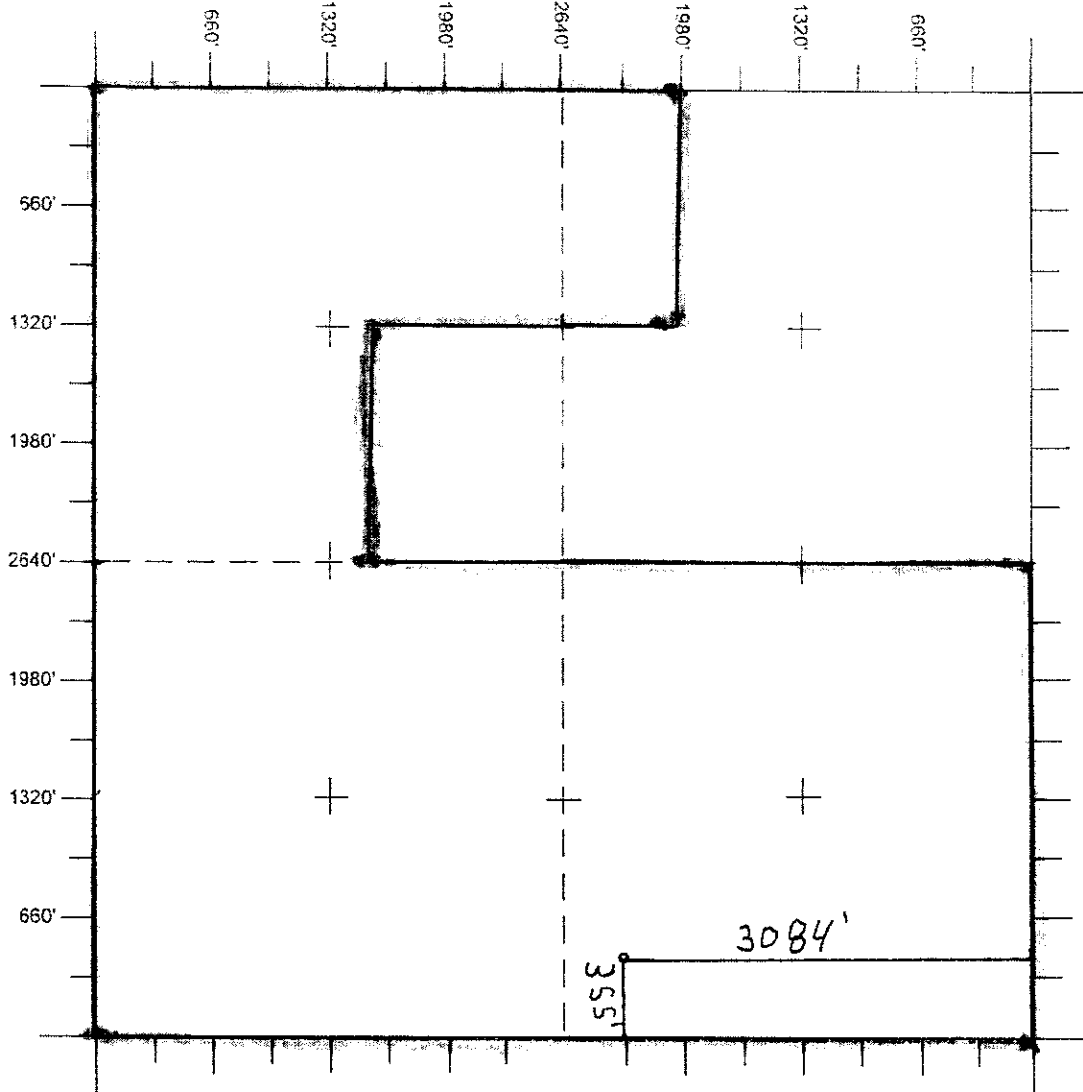
NOTE: In all cases locate the spot of the proposed drilling location.

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: (C0-7 for oil wells; CG-8 for gas wells).

15-125-31947-0000

NON-STANDARD SECTION



Area: LIBERTY
 Well #: KNISLEY #6-9
 Lease Name: KNISLEY
 S 6 T 33S R 17E Elevation: 804 ft
 County: MONTGOMERY State: KS
 Surface Hole Location Footages: 355' FSL & 3084' FEL
 Bottom Hole Location Footages: _____ F_L & _____ F_L (if applicable)
 Latitude: N 37 ° 11 ' 44.42 " UTM/NAD83: _____
 Longitude: W 95 ° 35 ' 13.66 " UTM/NAD _____
 Surveyor Name: DON WILLIAMS
 Survey Date: 3/5/2010



Scale:
1" = 1,000'

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 11

CONF

LANDMAN

15-125-31947-0000



Township: 32S, Range: 17E, Section: 32

Select location of well to view details.

Click on column heading to sort.



One record found.

T-R-S	Owner	Well Depth Ascend. Desc.	Static Water Level Ascend. Desc.	Est. Yield Ascend. Desc.	Well Use	Other ID	Action Taken	Completion Date Ascend. Desc.	Scan?
Sec. 32 NENENE		70 ft.	20 ft.	0 gpm.	Domestic		Constructed	20-Jul-1978	

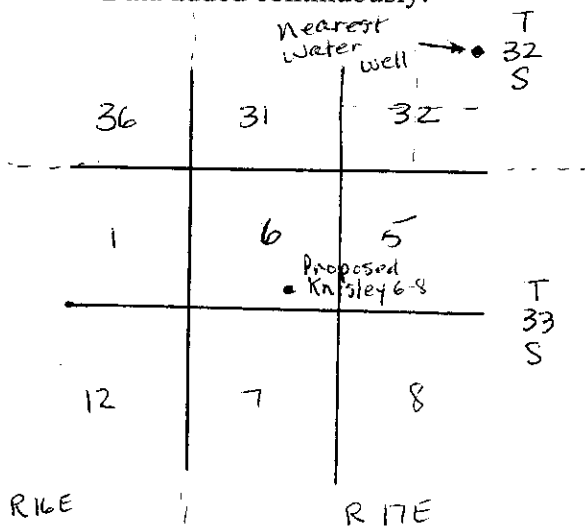
Kansas Geological Survey

Comments to webadmin@kgs.ku.edu

URL=http://www.kgs.ku.edu/Magellan/WaterWell/index.html

Display Programs Updated July 29, 2004

Data added continuously.



Check for water wells within 1/4 mile:

- Sec. 36 T32S R16E - none
- Sec. 1 T33S R16E - none
- Sec. 12 T33S R16E - none
- Sec. 7 T33S R17E - none
- Sec. 8 T33S R17E - none
- Sec. 6 T33S R17E - none**
- Sec. 5 T33S R17E - none
- Sec. 32 T32S R17E - one in NE NE NE
- Sec. 31 T32S R17E - 16, all monitoring wells

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KANSAS GEOLOGICAL SURVEY

MAR 17 2

CONFIDENTIAL
WORTH

15-125-31947-0000



Geological Well Prognosis

Date: 9-Mar-10
 API#:
 Well Name: **Knisley**
 Well Number: **6-8**
 Field: Kanmap-Liberty
 Lease: Knisley
 County: Montgomery
 State: Kansas

Surf Loc
 Qtr/Qtr: SW SE
 Section: 6
 Township: 33S
 Range: 17E
 Footage Call: 355 FSL 3084 FEL
 Elevation(ft): 804 GL
 809 KB
 Latitude: 37 11 44.42 NAD 83
 Longitude: 95 35 13.66 NAD 83

Casing Details

Surface Hole(in):
 Surface Casing(in):
 Surface Depth(ft):
 Production Hole(in):
 Production Casing(in):
 Total Depth(ft):

5.5"
 1100 KB

Formation Tops

	Top ft, (GL)	Top ft, (KB)	Thickness ft	Sub Sea Top ft
Higginsville	490	495		314
Mulky	559	564		245
IronPost	588	593		216
Weir Pitt	752	757	3.0	52
Rowe	937	942	3.0	-133
Riverton	982	987	3.0	-178
MS	998	1003		-194

Notes

Note: Section is non-standard
~~Location and elevation from Feb 2010 plat~~
 Location and elevation from 05Mar10 Plat
 Casing program to be provided by engineering

Objective

Drill and evaluate vertical 5-1/2"
 TD 100' into MS

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 KANSAS GEOLOGICAL SURVEY DIVISION

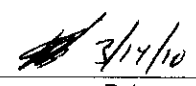
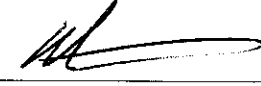
MAR 17 2010

CONSTITUTIONAL
 DIVISION

**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: CEP Mid-Continent LLC		License Number: 34027	
Operator Address: 15 West Sixth Street, Suite 1100		Tulsa	
		OK 74070	
Contact Person: Rodney Tate, D&C Engineer		Phone Number: 918-877-2912, ext. 306	
Lease Name & Well No.: KNISLEY 6-8		Pit Location (QQQQ): _____ 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: 1,710 (bbls)	
		Sec. <u>6</u> Twp. <u>33</u> R. <u>17</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>355</u> Feet from <input type="checkbox"/> North <input checked="" type="checkbox"/> South Line of Section <u>3,084</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Montgomery County	
Is the pit located in a Sensitive Ground Water Area? <input 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?			
Pit dimensions (all but working pits): <u>30</u> Length (feet) <u>40</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>8</u> (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. N/A RECEIVED KANSAS CORPORATION COMMISSION MAR 17 2010		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. N/A	
Distance to nearest water well within one-mile of pit <u>N/A</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ 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.			
 Date		 Signature of Applicant or Agent	

15-125-3194 7-00-00

KCC OFFICE USE ONLY

Steel Pit RFAC RFAS

Date Received: 3/17/10 Permit Number: _____ Permit Date: 3/17/10 Lease Inspection: Yes No

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