

CORRECTED

\* BOP Required \*

For KCC Use:  
Effective Date: 4-5-2010  
District #: 4  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**  
Must be approved by KCC five (5) days prior to commencing well

\* 5-24-2010  
**CORRECTED**  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

Expected Spud Date: MAY 1 2010  
month day year

OPERATOR: License# 3077 ✓  
Name: JOHNSON OIL  
Address 1: 258 east HIGHWAY 36  
Address 2: \_\_\_\_\_  
City: PHILLIPSBURG State: KS Zip: 67661 + 9475  
Contact Person: kevin johnson  
Phone: 1785 543 6171  
CONTRACTOR: License# 33493 ✓  
Name: AMERICAN EAGLE LLC

Spot Description:  
SE - SW - SE - NW Sec. 26 Twp. 7 S. R. 19  E  W  
(0000) 2.629 feet from  N /  S Line of Section  
1749 feet from  E /  W Line of Section  
Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
County: ROOKS  
Lease Name: JOHNSON Well #: 3  
Field Name: GROVER SOUTH ✓  
Is this a Promoted / Spaced Field?  Yes  No  
Target Formation(s): ARB  
Nearest Lease or unit boundary line (in footage): 389  
Ground Surface Elevation: 1910.4 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: 180  
Depth to bottom of useable water: 800  
Surface Pipe by Alternate:  I  II ✓  
Length of Surface Pipe Planned to be set: 200 \* BOP required.  
Length of Conductor Pipe (if any): \_\_\_\_\_  
Projected Total Depth: 3600  
Formation at Total Depth: ARB  
Water Source for Drilling Operations:  
 Well  Farm Pond  Other: \_\_\_\_\_  
DWR Permit #: 23375  
(Note: Apply for Permit with DWR)   
Will Cores be taken?  Yes  No  
If Yes, proposed zone: \_\_\_\_\_

Well Drilled For:  Oil  Gas  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  Cable  
 Erh Rec  Storage  Disposal  
Solemic: \_\_\_\_\_ # of Holes \_\_\_\_\_  
Other: \_\_\_\_\_  
 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 Lease 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 useable 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: MARCH 26 2010 Signature of Operator or Agent: Kevin Johnson of Johnson Oil Title: OPERATOR

For KCC Use ONLY  
API # 15 - 163-23863-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per ALT.  I  II  
Approved by: Kevin Johnson / 5-24-2010  
This authorization expires: 3-31-2011  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Remember to:  
- File Drill PR 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: \_\_\_\_\_

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Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67262

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CONSERVATION DIVISION  
WICHITA, KS

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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

CORRECTED

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 - 163-23863-00-00
Operator: JOHNSON OIL
Lease: JOHNSON
Well Number: 3
Field: GROVER SOUTH

Location of Well: County: ROOKS
2,629 feet from N / S Line of Section
1749 feet from E / W Line of Section
Sec. 26 Twp. 7 S. R. 19 E W

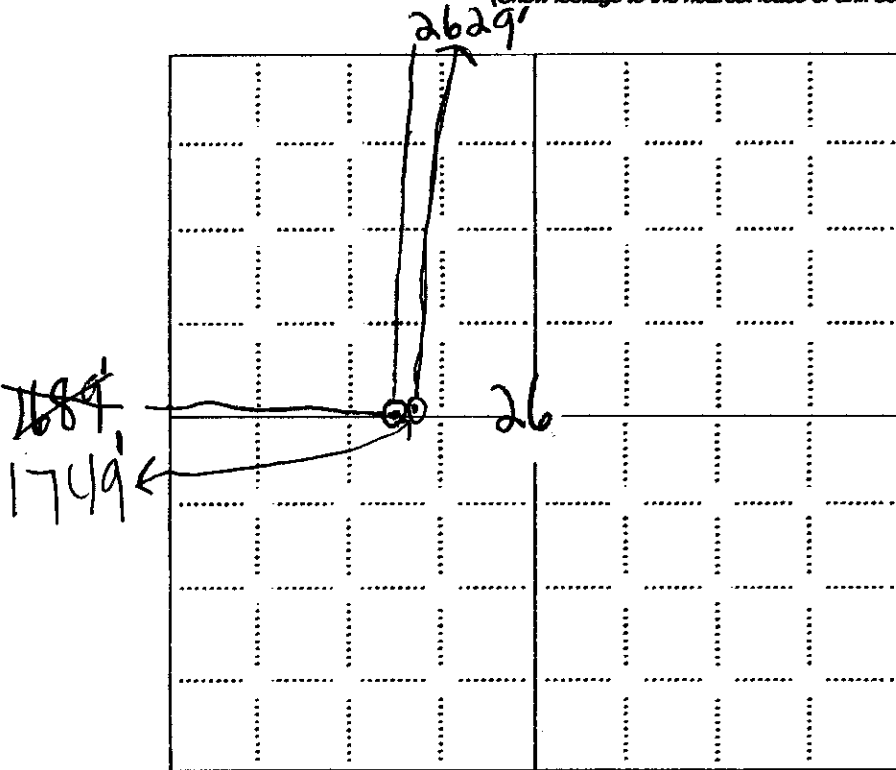
Number of Acres attributable to well:
QTR/QTR/QTR/QTR of acreage: SE - SE - SE - NW
SW

Is Section: Regular or Irregular

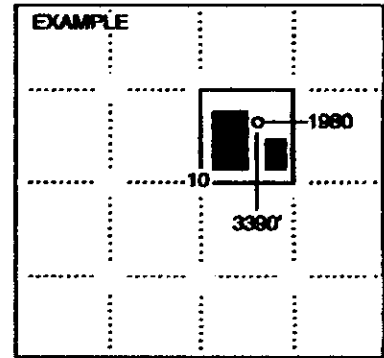
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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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WENT EAST 60'
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SEWARD CO.

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KANSAS CORPORATION COMMISSION

MAR 29 2010

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).

CONSERVATION DIVISION
WICHITA, KS

CORRECTED

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

Form GDP-1  
April 2004  
Form must be Typed

CORRECTED

Submit in Duplicate

Operator Name: JOHNSON OIL		License Number: 3077	
Operator Address: 258 east HIGHWAY 36		PHILLIPSBURG KS 67661	
Contact Person: kevin johnson		Phone Number: 1785 543 6171	
Lease Name & Well No.: JOHNSON 3		Pit Location (OOOO): SE <sup>SW</sup> SE SE NW	
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: 1,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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 TYPE SOIL		Pit dimensions (all but working pits):    70    Length (feet)    70    Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point:    5    (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.	
Distance to nearest water well within one-mile of pit 2250 feet    Depth of water well 62 feet		Depth to shallowest fresh water 20 feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: FRESH WATER MUD Number of working pits to be utilized: 5 Abandonment procedure: TRUCK FLUIDS AND EVAPORAPORATION 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.		RECEIVED MAY 21 2010 KCC WICHITA 15-163-23863-DD-DD	
MARCH 25 2010 Date		RECEIVED KANSAS CORPORATION COMMISSION MAR 29 2010 CONSERVATION DIVISION WICHITA, KS	
Signature of Applicant or Agent <i>Kevin Johnson</i>		Signature of Applicant or Agent	
<b>KCC OFFICE USE ONLY</b> Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: 3-29-20    Permit Number: _____    Permit Date: 3-30-10    Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

CORRECTED  
15-163-23863-60-00

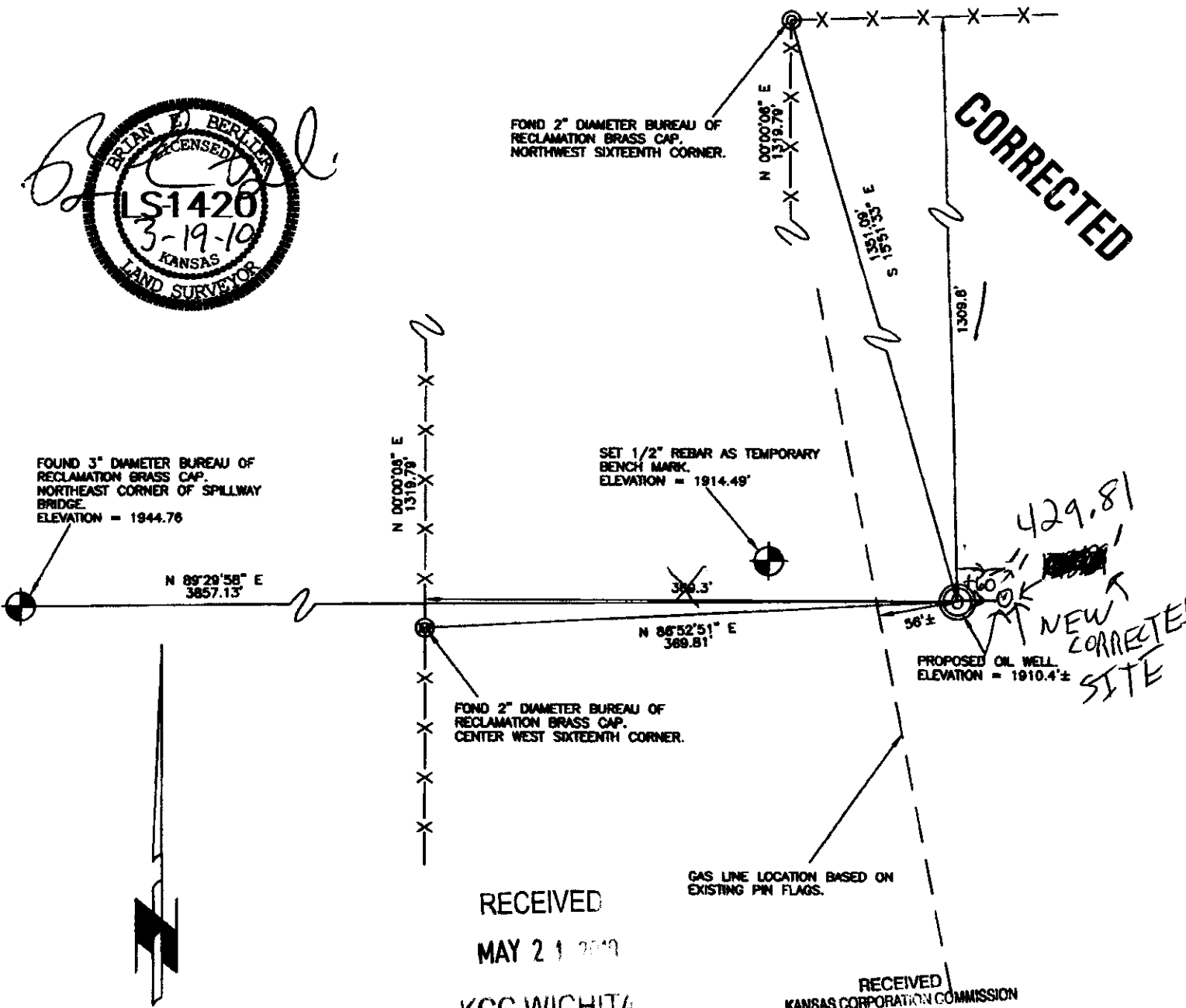
# OIL WELL EXHIBIT

FOR LOCATION AND ELEVATION OF A PROPOSED OIL WELL IN THE SOUTHEAST QUARTER, OF THE NORTHWEST QUARTER, OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 19 WEST OF THE 6TH P.M., COUNTY OF ROOKS, STATE OF KANSAS.



FOUND 2" DIAMETER BUREAU OF RECLAMATION BRASS CAP. NORTHWEST SIXTEENTH CORNER.

CORRECTED



429.81  
NEW CORRECTED SITE

FOUND 3" DIAMETER BUREAU OF RECLAMATION BRASS CAP. NORTHEAST CORNER OF SPILLWAY BRIDGE. ELEVATION = 1944.76

SET 1/2" REBAR AS TEMPORARY BENCH MARK. ELEVATION = 1914.49'

FOUND 2" DIAMETER BUREAU OF RECLAMATION BRASS CAP. CENTER WEST SIXTEENTH CORNER.

PROPOSED OIL WELL. ELEVATION = 1910.4'±

GAS LINE LOCATION BASED ON EXISTING PIN FLAGS.

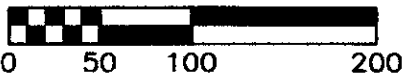
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KCC WICHITA

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KANSAS CORPORATION COMMISSION

MAR 29 2010

CONSERVATION DIVISION  
WICHITA, KS

Scale: 1" = 100'



**B.E.B. AND ASSOCIATES**

410 West Wilton Street  
Norton, Kansas 67654  
Phone: 785-874-4664

FILE NO. ROOKS-260719-JOHNSON.2

  
**KANSAS**  
CORPORATION COMMISSION

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

March 30, 2010

Johnson Oil  
258 East Highway 36  
Phillipsburg, KS 67661-9475

**CORRECTED**

RE: Drilling Pit Application  
Johnson Lease Well No. 3  
NW/4 Sec. 26-07S-19W  
Rooks County, Kansas

Dear Sir or Madam:

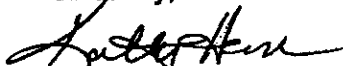
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. **Keep pits away from draw/creek.**

**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 (785) 625-0550 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](http://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,



Kathy Haynes  
Environmental Protection and Remediation Department

cc: district

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MAY 2 1 2010

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15-163-23863-0000

# Minimum Surface Casing Requirements

Minimum surface casing requirements for protecting fresh and usable water and to meet alternate #1 on Intent to Drill cards, Form C-1

S=Section, T=Township, R=Range

**CORRECTED**

## Rooks County

In T.6S, T.9S and T.10S, cement surface pipe through the Dakota formation plus 20 feet into the underlying formation except where local areas of usable water occur in the Cheyenne sandstone, in which case, protection must be extended 20 feet into the Permian.

The following options are open:

- (a) cement surface pipe through the Dakota plus 20 feet into the underlying formation or
- (b) cement surface pipe through all fresh water and/or unconsolidated material plus 20 feet below the base of the Dakota to the surface.

If (b) is used and the hole is dry, refer to K.A.R. 82-3-114. In all cases, a minimum of 50 feet of surface pipe is required.

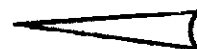
\* In T.7S and T.8S, protection shall be as outlined above except in the following areas:

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- Township 7 South, R.17W, below surface elevation 1860 feet
- Townships 7 and 8 South, R.18W, below surface elevation 1880 feet
- Townships 7 and 8 South, R.19W, below surface elevation 1920 feet
- Townships 7 and 8 South, R.20W, below surface elevation 1960 feet



Within these areas, large surface pipe or 8 5/8 inch surface pipe systems may be used. If the large surface pipe is used, surface pipe of at least 13 3/8 inches in diameter shall be cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation with a minimum of 40 feet being used. Then the following options are open:

- (a) set intermediate pipe to the Stone Corral (Anhydrite) and cement from the Stone Corral to surface or
- (b) cement the production string from the Anhydrite to surface immediately after it has been set.

If (b) is used and the hole is dry, plug per K.A.R. 82-3-114.

If 8 5/8 inch surface pipe is used, it will be set and cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation. A blowout preventor will be installed and maintained on the surface pipe until pipe is set or the hole plugged. If serious flow problems occur, the hole will be plugged per K.A.R. 82-3-114.

If the hole is completed and production pipe installed, cement the production string from the Stone Corral Anhydrite to surface immediately after it has been set. If the hole is dry, plug the hole per K.A.R. 82-3-114.

If Alternate II is used in the above described special area, follow the procedure outlined in K.A.R. 82-3-106. The option for 120 days to complete cementing is not available and the operator shall cement production casing from Stone Corral (Anhydrite) to surface immediately.