

OWWO

For KCC Use: 6-19-2010
Effective Date: 6-19-2010
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

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

Expected Spud Date: June 15 2010
month day year

OPERATOR: License# 3941 ✓
Name: LB Oil
Address 1: 211 - 8th Street
Address 2:
City: Claffin State: KS Zip: 67525 +
Contact Person: Todd Morgenstern
Phone: 620-564-3728 564-3735
CONTRACTOR: License# 33350 ✓
Name: Southwind Drilling, Inc.

Spot Description: 10' North of
NW SW NE Sec. 22 Twp. 18 S. R. 11 E W
(10/10/10) 1,640 feet from N / S Line of Section
2,310 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Barton
Lease Name: Kaiser Well #: 2 OWWO
Field Name: Ames

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary line (in footage): 330'

Ground Surface Elevation: 1762 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: 240

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: Existing 324'

Length of Conductor Pipe (if any): None

Projected Total Depth: 3404'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Well Farm Pond Other: Haul

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 Other:
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows:

Operator: LB Oil
Well Name: Kaiser #2
Original Completion Date: 06-13-10 Original Total Depth: 3354'

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

AFFIDAVIT

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JUN 14 2010

CONSERVATION DIVISION
WICHITA, KS

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: 06/14/2010 Signature of Operator or Agent: Bone Kassler Title: Agent

For KCC Use ONLY
API # 15 - 009-25420-00-01
Conductor pipe required None feet
Minimum surface pipe required 324 feet per ALT. I II
Approved by: [Signature] 6-14-2010
This authorization expires: 6-14-2011
(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:

22 18 11 E W

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 - 009-25420-00-01
Operator: LB Oil
Lease: Kaiser
Well Number: 2 OWWO
Field: Ames

Location of Well: County: Barton
1,640 feet from N / S Line of Section
2,310 feet from E / W Line of Section
Sec. 22 Twp. 18 S. R. 11 E W

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

Is Section: Regular or Irregular

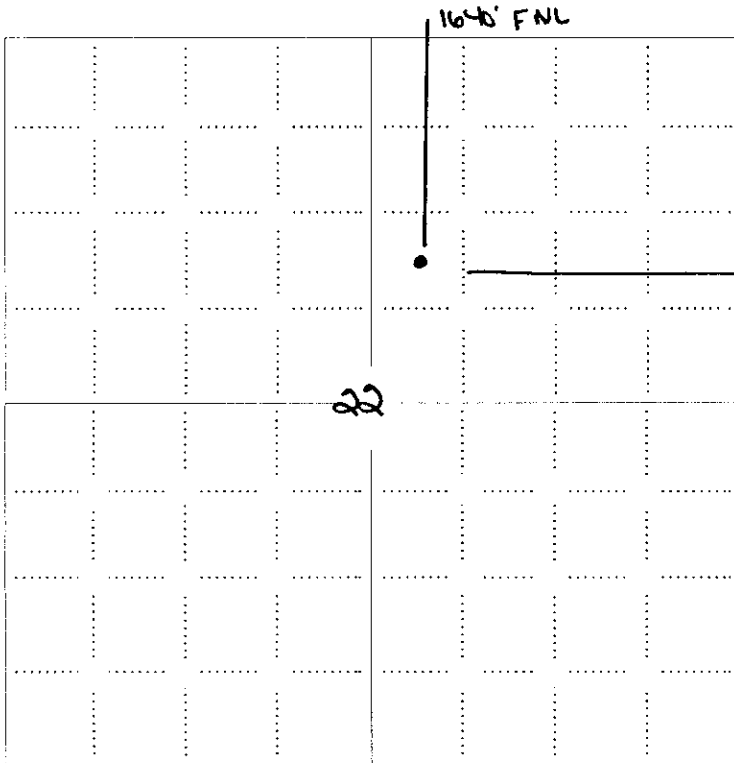
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

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

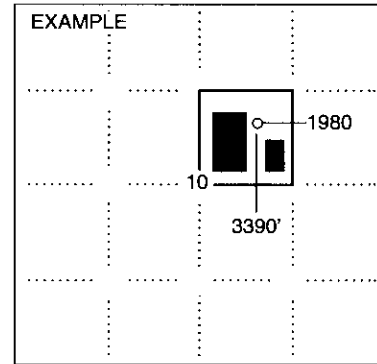
(Show footage to the nearest lease or unit boundary line.)



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

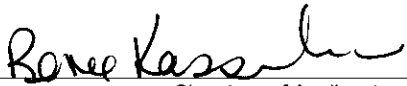
In plotting the proposed location of the well, you must show:

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: (C0-7 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

Submit in Duplicate

Operator Name: LB Oil		License Number: 3941
Operator Address: 211 - 8th Street		Clafin KS 67525
Contact Person: Todd Morgenstern		Phone Number: 620-564-3728
Lease Name & Well No.: Kaiser 2 OWWO		Pit Location (QQQQ): NW SW NE
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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 05/24/2010 Pit capacity: 4,500 (bbls)	Sec. 22 Twp. 18 R. 11 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,640 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,310 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barton 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? Earthen clay
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (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. <div align="right">RECEIVED KANSAS CORPORATION COMMISSION JUN 14 2010 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit 2640 feet Depth of water well 142 feet		Depth to shallowest fresh water 15 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: drilling mud Number of working pits to be utilized: 3 Abandonment procedure: Empty pit, let dry then 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.		
06/14/2010 Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
<i>Using existing pits under: 15-009-25420-0000</i>				
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	

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

15-009-25420-00-01

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING RECORD
K.A.R. 82-3-117

Form CP-4
March 2009
Type or Print on this Form
Form must be Signed
All blanks must be Filled

OPERATOR: License #: 3941
Name: LB Oil
Address 1: 211 - 8th Street
Address 2: _____
City: Clafin State: KS Zip: 67525 + _____
Contact Person: Todd Morgenstern
Phone: (620) 564-3728
Type of Well: (Check one) Oil Well Gas Well OG D&A Cathodic
 Water Supply Well Other: _____ SWD Permit #: _____
 ENHR Permit #: _____ Gas Storage Permit #: _____
Is ACO-1 filed? Yes No If not, is well log attached? Yes No
Producing Formation(s): List All (if needed attach another sheet)
_____ Depth to Top: _____ Bottom: _____ T.D. _____
_____ Depth to Top: _____ Bottom: _____ T.D. _____
_____ Depth to Top: _____ Bottom: _____ T.D. _____

API No. 15 - 009-25420-00-00
Spot Description: _____
NW SW NE Sec. 22 Twp. 18 S. R. 11 East West
1,640 Feet from North / South Line of Section
2,310 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Barton
Lease Name: Kaiser Well #: 2
Date Well Completed: D & A
The plugging proposal was approved on: 06-11-10 (Date)
by: Pat Bedore (KCC District Agent's Name)
Plugging Commenced: 06-13-10
Plugging Completed: 06-13-10

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface, Conductor & Production)			
Formation	Content	Casing	Size	Setting Depth	Pulled Out
		Surface	8 5/8" new 23#	324'	0'

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plug well with 185 sacks of 60/40 Poz, 4% gel, 1/4# floeal per sack.
1st plug @ 3297' with 25 sacks. 2nd plug @ 570' with 25 sacks. 3rd plug @ 320' with 80 sacks.
4th plug @ 40' with 10 sacks to surface. Plug mouse hole with 15 sacks. Plug rat hole with 30 sacks.
Job complete @ 3:00 p.m. on 06-13-10 by Allied (tk #41540)

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JUN 14 2010

Plugging Contractor License #: 33350 Name: Southwind Drilling, Inc.
Address 1: PO Box 276 Address 2: 8 North Main
City: Ellinwood State: KS Zip: 67526 + _____
Phone: (620) 564-3800
Name of Party Responsible for Plugging Fees: LB Oil
State of Kansas County, Barton, ss.

CONSERVATION DIVISION
WICHITA, KS

Rene Kasselmann, Office Manager for Southwind Drilling, Inc. Employee of Operator or Operator on above-described well,
(Print Name)

being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

Signature: Rene Kasselmann 06-14-10