

For KCC Use: 6-20-2010
Effective Date: 4
District # _____
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: 06 22 2010
month day year

OPERATOR: License# 32158 ✓
Name: H&B Petroleum Corporation
Address 1: PO Box 277
Address 2: _____
City: Ellinwood State: KS Zip: 67526 + 0 2 7 7
Contact Person: Al Hammersmith
Phone: 620-564-3002

CONTRACTOR: License# 33350 ✓
Name: Southwind Drilling, 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 #: _____

Spot Description: SEE SW NW SW Sec. 36 Twp. 10 S. R. 19 ^{per app}
(arab) 1,570 feet from N / S Line of Section
565 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: Peavey Well #: 1
Field Name: Unnamed
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle ✓

Nearest Lease or unit boundary line (in footage): 565 ✓
Ground Surface Elevation: 2225+/- act 2122 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: 140
Depth to bottom of usable water: 900 750 ✓
Surface Pipe by Alternate: I II ✓
Length of Surface Pipe Planned to be set: 300 ✓
Length of Conductor Pipe (if any): n/a
Projected Total Depth: 3800 ✓
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: _____

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: June 11, 2010 Signature of Operator or Agent: [Signature] Title: Vice President

For KCC Use ONLY
API # 15 - 163-23882-00-00
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. I II
Approved by: [Signature] 6-15-2010
This authorization expires: 6-15-2011
(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: _____

36
10
18
 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 - 163-23882-0000
 Operator: H&B Petroleum Corporation
 Lease: Peavey
 Well Number: 1
 Field: _____

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

Location of Well: County: _____ Rooks
 1,570 feet from N / S Line of Section
 565 feet from E / W Line of Section
 Sec. 36 Twp. 10 S. R. ~~18~~ 19 E W
per oper.

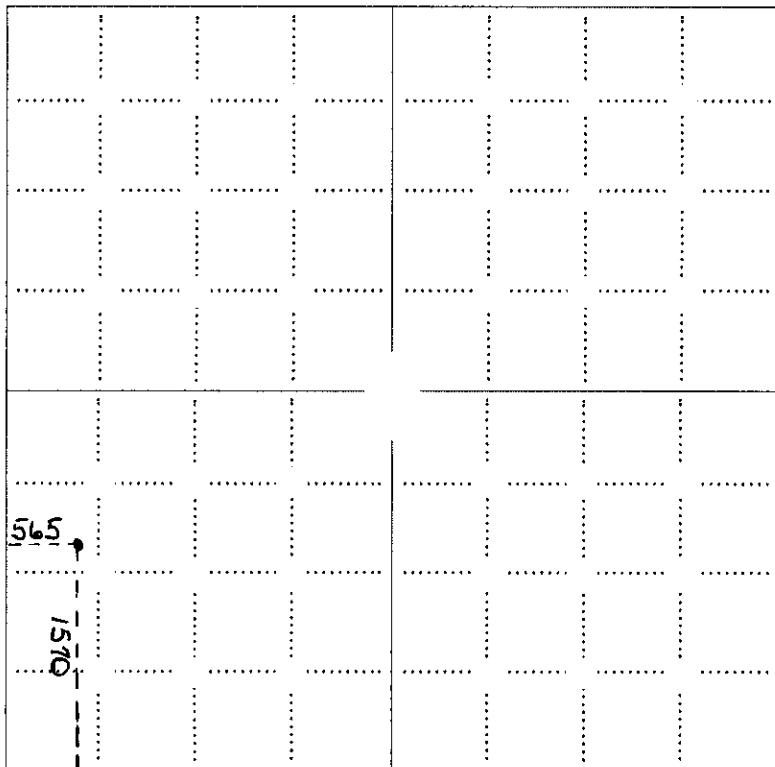
Is Section: Regular or Irregular

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

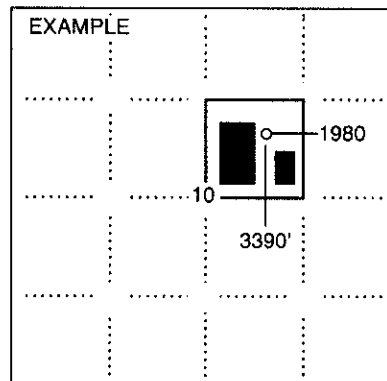
Section corner used: NE NW SE SW

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.)*



RECEIVED
 KANSAS CORPORATION COMMISSION
 JUN 14 2010
 CONSERVATION DIVISION
 WICHITA, KS



SEWARD CO.

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: (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

Submit in Duplicate

Operator Name: H&B Petroleum Corporation		License Number: 32158
Operator Address: PO Box 277		Ellinwood KS 67526
Contact Person: Al Hammermsith		Phone Number: 620-564-3002
Lease Name & Well No.: Peavey 1		Pit Location (QQQQ): SW
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: 250 (bbls)	Sec. 36 Twp. 10 R. 18¹⁹ <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,570 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 565 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Rooks 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? Native clay
Pit dimensions (all but working pits): <u>8</u> Length (feet) <u>30</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>5</u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 10 mil-laid in and cover edges		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. If loss of fluid is noticed will empty pit
Distance to nearest water well within one-mile of pit <u>2960</u> feet Depth of water well <u>81</u> feet <u>3960</u> feet <u>65</u> feet		Depth to shallowest fresh water <u>61</u> 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: <u>Drilling cmt w/ fresh water</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Pull off fluid/dry/backfill</u> 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.		
June 11, 2010 Date		 Signature of Applicant or Agent

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 14 2010
CONSERVATION DIVISION
WICHITA, KS

15163-23882-00-00

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>6/14/10</u>	Permit Number: _____	Permit Date: <u>6/14/10</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	