

For KCC Use:  
Effective Date: 6-26-2010  
District #: 3  
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

Form C-1  
October 2007  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

Expected Spud Date: July 1, 2010  
month day year

OPERATOR: License# 33874  
Name: Custer Oil & Gas, LLC  
Address 1: Post Office Box 628  
Address 2: \_\_\_\_\_  
City: Barnsdall State: OK Zip: 74002 + \_\_\_\_\_  
Contact Person: Norma Standridge  
Phone: (918) 847-2531  
CONTRACTOR: License# 5675  
Name: McPherson Drilling Company

Well Drilled For: ☒ Oil ☐ Gas ☐ Enh Rec ☐ Storage ☐ Disposal ☐ Seismic; # of Holes \_\_\_\_\_  
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: SW NW SW NE Sec. 12 Twp. 34 S. R. 13 ☒ E ☐ W  
(0.0/0.0) 825 1815 feet from ☒ N ☒ S Line of Section  
165 2475 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: Fobian Well #: 34  
Field Name: Wayside-Havana  
Is this a Prorated / Spaced Field? ☐ Yes ☒ No  
Target Formation(s): Wayside, Pennsylvania Coals, Bartlesville, Miss Chat

→ Nearest Lease or unit boundary line (in footage): 165 min.  
Ground Surface Elevation: 788' 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: 175'  
Surface Pipe by Alternate: ☐ I ☒ II  
Length of Surface Pipe Planned to be set: 42'  
Length of Conductor Pipe (if any): \_\_\_\_\_  
Projected Total Depth: 1500'  
Formation at Total Depth: Mississippi Chat  
Water Source for Drilling Operations: ☐ Well ☐ Farm Pond ☒ Other: Rick's Tank Truck  
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: 6-15-10 Signature of Operator or Agent: Norma Standridge Title: Agent

**For KCC Use ONLY**

API # 15 - 125-31987-00-00  
Conductor pipe required None feet  
Minimum surface pipe required 20 feet per ALT. ☐ I ☒ II  
Approved by: Russ 6-21-2010  
This authorization expires: 6-21-2011  
(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: \_\_\_\_\_

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

RECEIVED

JUN 17 2010

KCC WICHITA

12 34 13 ☒ 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 - 125-31987-00-00Operator: Custer Oil & Gas, LLCLease: FobianWell Number: 34Field: Wayside Havana

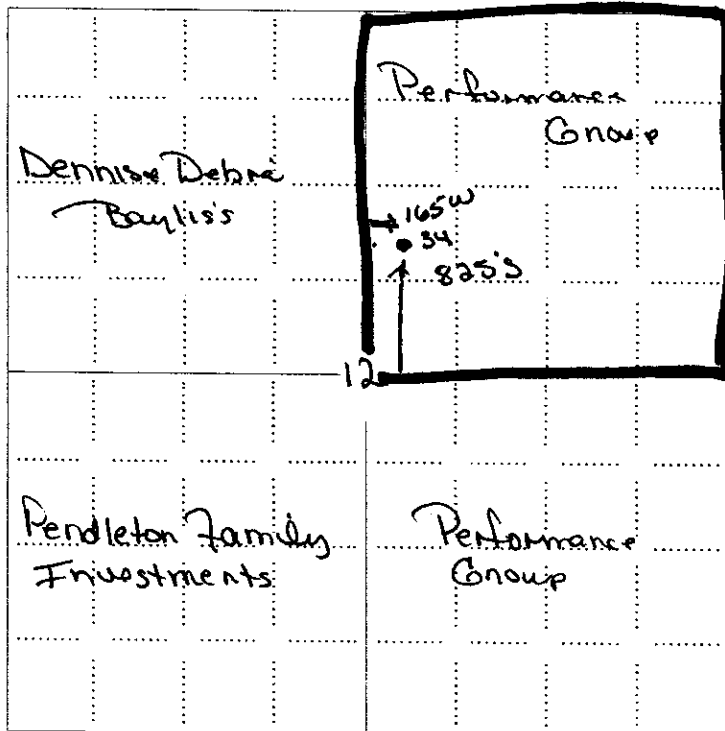
Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - SW - SW - NENWLocation of Well: County: Montgomery

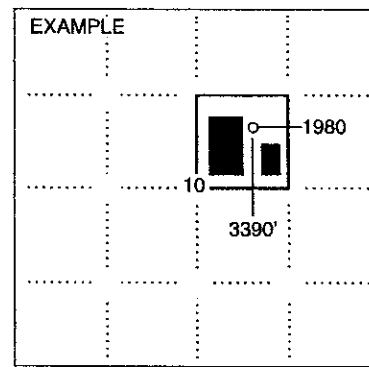
825 1815 feet from ☒ N / ☒ E Line of Section  
165 2475 feet from ☒ E / ☒ W Line of Section  
 Sec. 12 Twp. 34 S. R. 13 ☒ E ☐ W

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 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: Custer Oil & Gas, LLC                                                                                                                                                                                                                                                                                       |                                                                                          | License Number: 33874                                                                                                                                                                                                                                                                                                                                                                                        |  |
| Operator Address: P. O. Box 628, Barnsdall, OK 74002                                                                                                                                                                                                                                                                       |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                              |  |
| Contact Person: Norma Standridge                                                                                                                                                                                                                                                                                           |                                                                                          | Phone Number: (918) 847-2531                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Lease Name & Well No.: Fobian 34                                                                                                                                                                                                                                                                                           |                                                                                          | Pit Location (QQQQ):<br><u>NW</u> <u>SW</u> <u>NE</u>                                                                                                                                                                                                                                                                                                                                                        |  |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><small>(If WP Supply API No. or Year Drilled)</small> |                                                                                          | Pit is:<br><input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed: _____<br>Pit capacity:<br>300 _____ (bbls)                                                                                                                                                                                                                                       |  |
|                                                                                                                                                                                                                                                                                                                            |                                                                                          | Sec. <u>12</u> Twp. <u>34</u> R. <u>13</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West<br><u>825 1815</u> Feet from <input checked="" type="checkbox"/> North <input checked="" type="checkbox"/> South Line of Section<br><u>165 2475</u> Feet from <input checked="" type="checkbox"/> East <input checked="" type="checkbox"/> West Line of Section<br>Montgomery _____ County |  |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                        |                                                                                          | Chloride concentration: _____ mg/l<br><small>(For Emergency Pits and Settling Pits only)</small>                                                                                                                                                                                                                                                                                                             |  |
| Is the bottom below ground level?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                   | Artificial Liner?<br><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>45</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits<br>Depth from ground level to deepest point: <u>4</u> (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.                                                                                                                                                                                                                                                                                              |  |
|                                                                                                                                                                                                                                                                                                                            |                                                                                          | <b>RECEIVED</b><br><b>JUN 17 2010</b><br><b>KCC WICHITA</b>                                                                                                                                                                                                                                                                                                                                                  |  |
| Distance to nearest water well within one-mile of pit<br><u>5111</u> feet    Depth of water well <u>40</u> feet                                                                                                                                                                                                            |                                                                                          | Depth to shallowest fresh water <u>7</u> feet.<br>Source of information:<br><input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR                                                                                                                                                                             |  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>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><br>Type of material utilized in drilling/workover: <u>Fresh Water</u><br>Number of working pits to be utilized: <u>1</u><br>Abandonment procedure: <u>Fluids will be hauled off and pit will be back-filled.</u><br>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.                                                                                                                                                                                                                    |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                              |  |
| 6-15-10<br>Date                                                                                                                                                                                                                                                                                                            |                                                                                          | <u>Norma Standridge</u> <u>Agent</u><br>Signature of Applicant or Agent                                                                                                                                                                                                                                                                                                                                      |  |
| KCC OFFICE USE ONLY                                                                                                                                                                                                                                                                                                        |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                              |  |
|                                                                                                                                                                                                                                                                                                                            |                                                                                          | Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>                                                                                                                                                                                                                                                                                                    |  |
| Date Received: <u>6-17-10</u> Permit Number: _____ Permit Date: <u>6-21-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                       |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                              |  |

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

15-125-31987-0000

June 21, 2010

Custer Oil & Gas LLC  
PO Box 628  
Barnsdall, OK 74002

RE: Drilling Pit Application  
Fobian Lease Well No. 34  
NE/4 Sec. 12-34S-13E  
Montgomery 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.

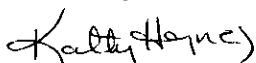
**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 432-2300 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: File