

For KCC Use:  
 Effective Date: 6-29-2010  
 District # 4  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 March 2010  
 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  
 Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form. 7/1/2010

Expected Spud Date: 06 30 2010  
 month day year

OPERATOR: License# 6627 ✓  
 Name: Prospect Oil & Gas, Inc.  
 Address 1: P.O. Box 837  
 Address 2: \_\_\_\_\_  
 City: Russell State: Ks Zip: 67665 + \_\_\_\_\_  
 Contact Person: Brad Hutchison  
 Phone: 785-483-0492

CONTRACTOR: License# 5184 ✓  
 Name: Shields Oil Producers, 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 OWVO: 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: 190' & 50' W of NW-NE SW  
 Approx. NW - NE - SW Sec. 36 Twp. 14 S. R. 19  E  W  
 (Q/Q/Q) 2,220 feet from  N /  S Line of Section  
1,600 feet from  E /  W Line of Section  
 Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Ellis  
 Lease Name: Virginia Drilling Well # 2  
 Field Name: Wildcat Dechant West  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Arbuckle ✓

Nearest Lease or unit boundary line (in footage): 460 ✓  
 Ground Surface Elevation: 2070 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 usable water: 600-560  
 Surface Pipe by Alternate:  I  II ✓  
 Length of Surface Pipe Planned to be set: 200+ ✓  
 Length of Conductor Pipe (if any): \_\_\_\_\_  
 Projected Total Depth: 3650' ✓  
 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: \_\_\_\_\_

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 JUN 29 2010  
 KCC WICHITA

**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 to the best of my knowledge and belief.  
 Date: 6-22-10 Signature of Operator or Agent: [Signature] Title: partner

For KCC Use ONLY  
 API # 15 - 051-26003-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per ALT.  I  II  
 Approved by: [Signature] 6-24-2010  
 This authorization expires: 6-24-2011  
 (This authorization void if drilling not started within 12 months of approval date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

**Remember to:**

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: \_\_\_\_\_  
 Signature of Operator or Agent: \_\_\_\_\_

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

36  
 14  
 19  
 E  
 W

For KCC Use ONLY

API # 15 - 051-26003-00-00

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Prospect Oil & Gas, Inc.
Lease: Virginia Dreiling
Well Number: 2
Field: Wildcat

Location of Well: County: Ellis
2,220 feet from N / S Line of Section
1,600 feet from E / W Line of Section
Sec. 36 Twp. 14 S. R. 19 E W

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

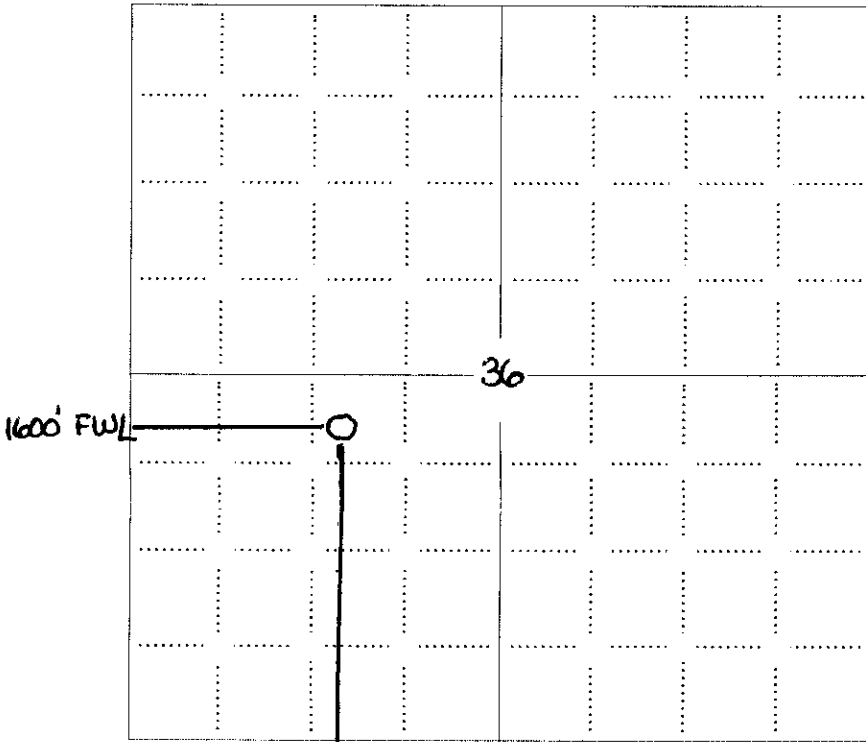
Is Section: [X] Regular or [ ] Irregular

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

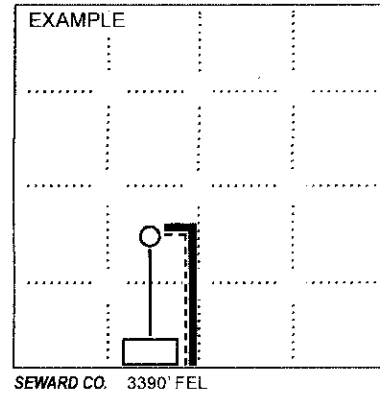
Section corner used: [ ] NE [ ] NW [ ] SE [ ] SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032)
You may attach a separate plat if desired.



- LEGEND
O Well Location
[ ] Tank Battery Location
— Pipeline Location
- - - Electric Line Location
= Lease Road Location



NOTE: In all cases locate the spot of the proposed drilling location.
2220' FSL

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

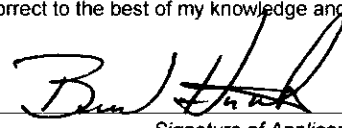
- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest 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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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JUN 23 2010
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**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

|  |  |  |
|--|--|--|
| Operator Name: <b>Prospect Oil &amp; Gas, Inc.</b>   |  | License Number: <b>6627</b>  |
| Operator Address: <b>P.O. Box 837</b>  |  | <b>Russell Ks 67665</b>  |
| Contact Person: <b>Brad Hutchison</b>  |  | Phone Number: <b>785-483-0492</b>  |
| Lease Name & Well No.: <b>Virginia Dreiling 2</b>  |  | Pit Location (QQQQ):<br>Approx. <u>  </u> NW <u>  </u> NE <u>  </u> SW<br>Sec. <u>36</u> Twp. <u>14</u> R. <u>19</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West<br><u>2,220</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section<br><u>1,600</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section<br><b>Ellis</b> County |
| 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><b>2,000</b> (bbls)  |  |
| Is the pit located in a Sensitive Ground Water Area? <input 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?<br><b>Drilling Mud</b>  |
| Pit dimensions (all but working pits): <u>  70  </u> Length (feet) <u>  70  </u> Width (feet) <input type="checkbox"/> N/A: Steel Pits<br>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.  | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.<br><div align="right"><b>RECEIVED</b><br/><b>JUN 23 2010</b><br/><b>KCC WICHITA</b></div>  |  |
| Distance to nearest water well within one-mile of pit:<br><u>  N/A  </u> feet    Depth of water well <u>  410  </u> feet   | Depth to shallowest fresh water <u>  150  </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>  Drilling Mud  </u><br>Number of working pits to be utilized: <u>  3  </u><br>Abandonment procedure: <u>  Air Dry and Backfill  </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.  |  |  |
| <u>  6-22-10  </u><br>Date   | <br>Signature of Applicant or Agent  |  |

15-051-26003-00-00

|                                   |                                    |   |                               |
|-----------------------------------|------------------------------------|---|-------------------------------|
| <b>KCC OFFICE USE ONLY</b>        |                                    |   |                               |
| Date Received: <u>  6-23-10  </u> |                                    | Permit Number: _____  |                               |
| Permit Date: <u>  6-23-10  </u>   |                                    | Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                               |
| <input type="checkbox"/> Liner    | <input type="checkbox"/> Steel Pit | <input type="checkbox"/> RFAC   | <input type="checkbox"/> RFAS |

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