

For KCC Use:
Effective Date: 7-6-2010
District #: 3
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.

Expected Spud Date: July 5, 2010
month day year

OPERATOR: License# 34014
Name: Peterson Oil LLC
Address 1: 2530 Bayard Avenue
Address 2: _____
City: Kansas City State: KS Zip: 66105 + 1112
Contact Person: Kelly Peterson
Phone: (913) 642-7771

CONTRACTOR: License# 32834
Name: JTC Oil, 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: _____
SW SE NE NW Sec. 8 Twp. 16 S. R. 25 ☒ E ☐ W
(2/2/2/2) 1,600 feet from ☐ N ☒ S Line of Section
2,240 feet from ☐ E ☒ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

County: Miami
Lease Name: Peterson Well #: 2
Field Name: unknown Paola-Rantoul

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Bartlesville

Nearest Lease or unit boundary line (in footage): 400

Ground Surface Elevation: n/a set 1064 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: set 300

Surface Pipe by Alternate: ☐ I ☒ II

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe (if any): _____

Projected Total Depth: 1,000

Formation at Total Depth: Bartlesville

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

RECEIVED

KANSAS CORPORATION COMMISSION

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: June 30, 2010 Signature of Operator or Agent: Donna Thanda Title: Agent

JUN 30 2010

CONSERVATION DIVISION
WICHITA, KS

For KCC Use ONLY

API # 15 - 121-28800-00-00
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT. ☐ I ☒ II
Approved by: June 7-1-2010
This authorization expires: 7-1-2011
(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

8
16
25
☒ E ☐ W

For KCC Use ONLY

API # 15 - 12128800-00-00**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: Peterson Oil LLCLease: PetersonWell Number: 2Field: unknown

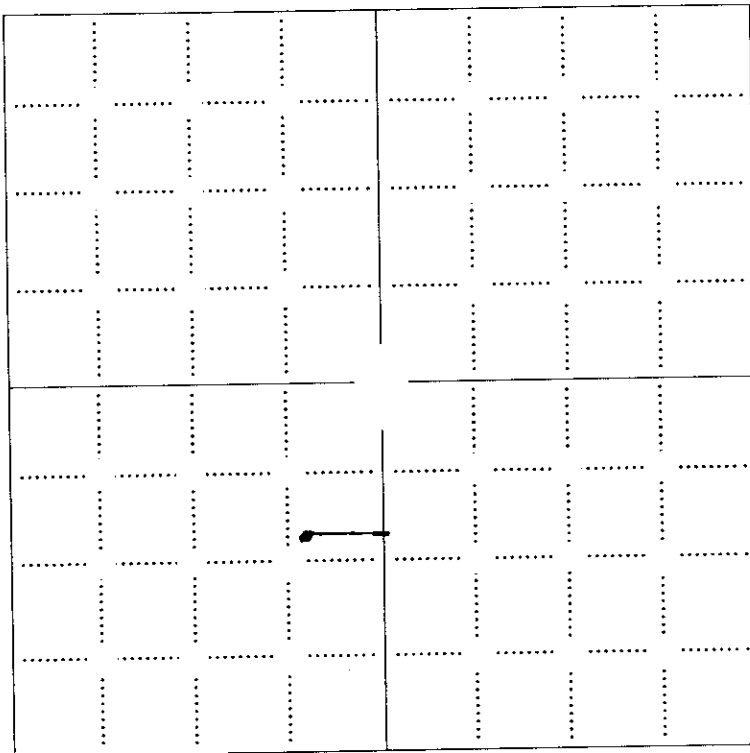
Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: SW - SE - NE - SWLocation of Well: County: Miami1,600 feet from ☐ N / ☒ S Line of Section2,240 feet from ☐ E / ☒ W Line of SectionSec. 8 Twp. 16 S. R. 25 ☒ E ☐ WIs Section: ☒ Regular or ☐ Irregular

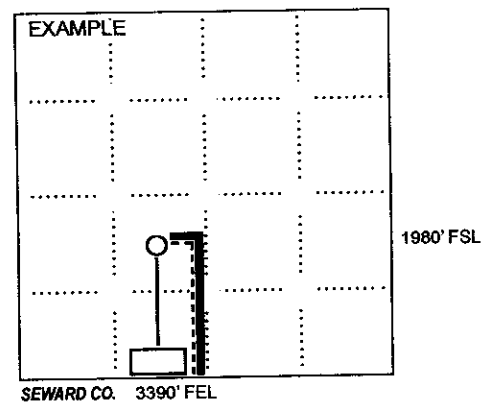
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW**PLAT**

Show location of the well. 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**

- ☐ 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.****In plotting the proposed location of the well, you must show:**

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- 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).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

**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: Peterson Oil LLC		License Number: 34014	
Operator Address: 2530 Bayard Avenue		Kansas City KS 66105	
Contact Person: Kelly Peterson		Phone Number: (913) 642-7771	
Lease Name & Well No.: Peterson 2		Pit Location (QQQQ): SW SE NE SW Sec. 8 Twp. 16 R. 25 ☒ East ☐ West 1,600 Feet from ☐ North / ☒ South Line of Section 2,240 Feet from ☐ East / ☒ West Line of Section Miami County	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: 250 (bbls)		
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used? Native clay	
Pit dimensions (all but working pits): 6 Length (feet) 12 Width (feet) Depth from ground level to deepest point: 6 (feet)		☐ N/A: Steel Pits ☐ 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: n/a feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: ☐ measured ☐ well owner ☐ electric log ☐ 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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: drilling mud Number of working pits to be utilized: 2 Abandonment procedure: Let air dry and backfill RECEIVED KANSAS CORPORATION COMMISSION 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.		JUN 30 2010	
June 30, 2010 Date		Danna Thanda Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
☐ Liner ☐ Steel Pit ☐ RFAC ☐ RFAS			
Date Received: 6-30-10 Permit Number: _____		Permit Date: 7-1-10 Lease Inspection: ☐ Yes ☒ No	

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

15-121-28200-00-00