

For KCC Use: 7-6-2010
 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: _____
 If OWWO: old well information as follows: _____

Well Class: Infield Pool Ext. Wildcat Other

Type Equipment: Mud Rotary Air Rotary Cable

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~~ - SW - NW - SW Sec. 8 Twp. 16 S. R. 25 E W
 (0/0/0/0) 1,600 feet from N / S Line of Section
480 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 #: 3

Field Name: unknown Paola-Rantow

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Bartlesville ✓

Nearest Lease or unit boundary line (in footage): 480 ✓

Ground Surface Elevation: n/a east 1041 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: 180 300

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) No

Will Cores be taken? Yes No

If Yes, proposed zone: _____

AFFIDAVIT

RECEIVED
 KANSAS CORPORATION COMMISSION

JUN 30 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 to the best of my knowledge and belief.

Date: June 30, 2010 Signature of Operator or Agent: Danna Shanda Title: Agent

For KCC Use ONLY
 API # 15 - 121-28798-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by PLM 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: _____

8
 16
 25
 E
 W

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

For KCC Use ONLY

API # 15 - 121-28788-00-00

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 LLC
 Lease: Peterson
 Well Number: 3
 Field: unknown

Location of Well: County: Miami
 1,600 feet from N / S Line of Section
 480 feet from E / W Line of Section
 Sec. 8 Twp. 16 S. R. 25 E W

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

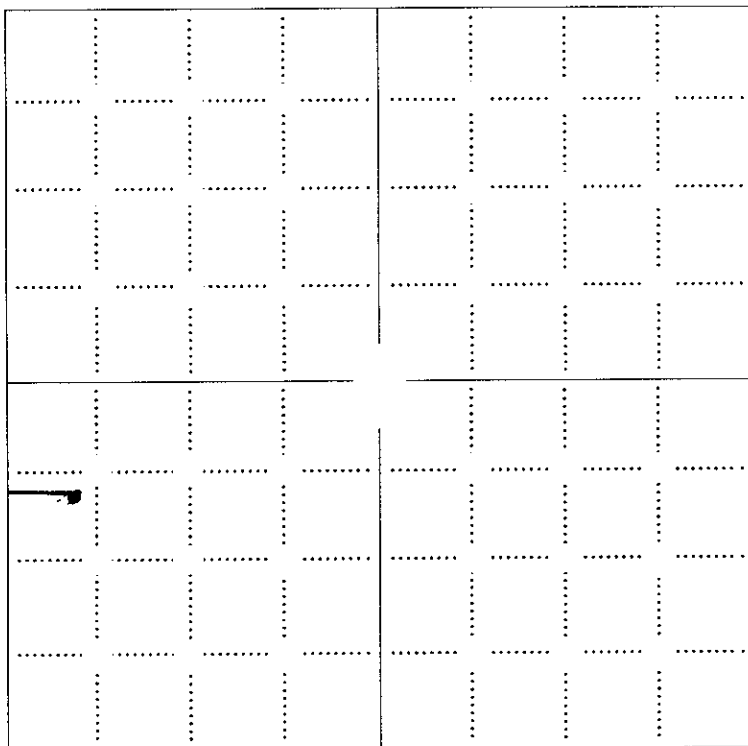
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

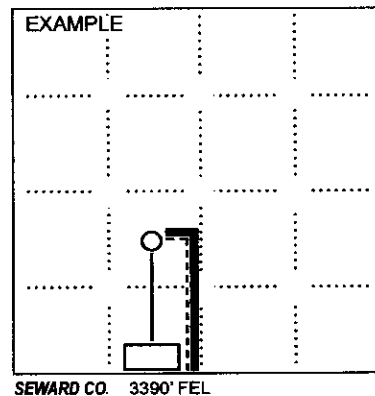
PLAT

Show location of the well. 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 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: (CO-7 for oil wells; CG-8 for gas wells).
5. 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 3		Pit Location (QQQQ): SE SW NW 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. 8 Twp. 16 R. 25 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1,600 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 480 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Miami _____ 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): 6 Length (feet) 12 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 6 (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.
Distance to nearest water well within one-mile of pit: n/a 3078 feet Depth of water well 140 feet		Depth to shallowest fresh water 51 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: 2 Abandonment procedure: Let air dry and 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.		
June 30, 2010 Date	<i>Wanna Thanda</i> Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION JUN 30 2010 CONSERVATION DIVISION WICHITA, KS

15-121-28798-0000

KCC OFFICE USE ONLY			
Date Received: 6-30-10	Permit Number: _____	Permit Date: 7-1-10	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