

For KCC Use: 7-14-2010
 Effective Date: 3
 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:
 NE - NE - SE - NW Sec. 21 Twp. 20 S. R. 22 E W
 (20/20/20) 3,680 feet from N / S Line of Section
2,400 feet from E / W Line of Section
 Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Linn
 Lease Name: Cox Well #: 1
 Field Name: Goodrich-Parker
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Squirrel
 Nearest Lease or unit boundary line (in footage): 240
 Ground Surface Elevation: n/a 910 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: 150
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 20
 Length of Conductor Pipe (if any):
 Projected Total Depth: 600
 Formation at Total Depth: Squirrel
 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** 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 Thanda Title: Agent

For KCC Use ONLY
 API # 15 - 107-24299-0000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: Ruth 7-9-2010
 This authorization expires: 7-9-2011
 (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

RECEIVED
 KANSAS CORPORATION COMMISSION
 JUN 30 2010
 CONSERVATION DIVISION
 WICHITA, KS

21
 20
 22
 E
 W

For KCC Use ONLY

API # 15 - 107-24299-00-00

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: Cox
 Well Number: 1
 Field: Goodrich-Parker

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

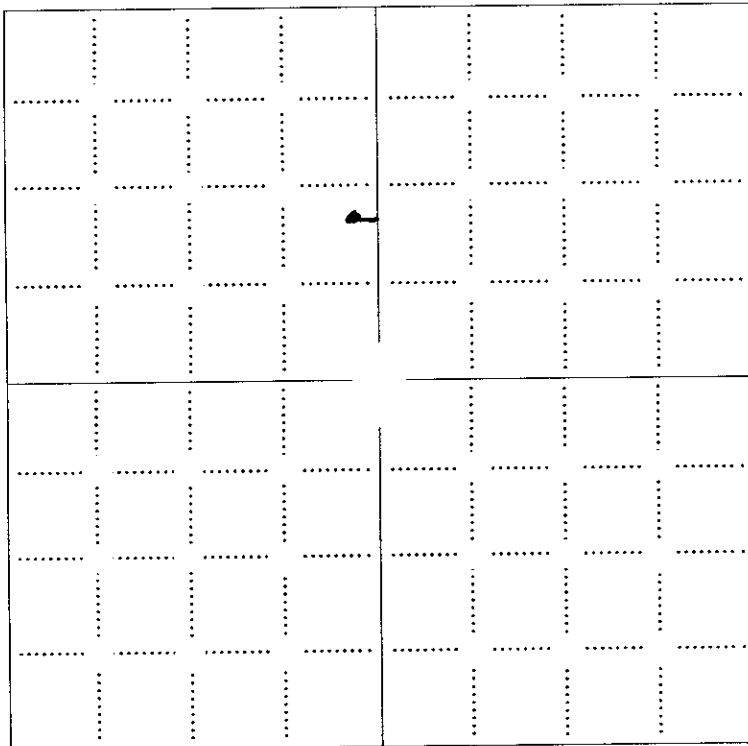
Location of Well: County: Linn
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. 21 Twp. 20 S. R. 22 E W

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

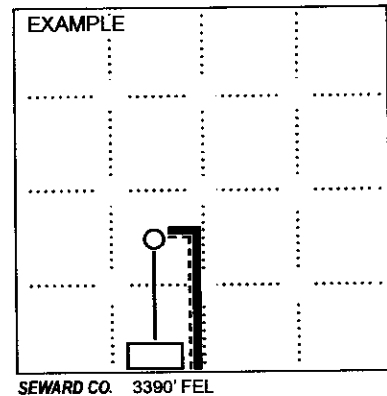
PLAT

Show location of the well. 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.: COX 1		Pit Location (QQQQ): NE - NE - SE - NW
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 (bbbls)	Sec. 21 Twp. 20 R. 22 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 3,680 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2,400 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Linn 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 feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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. RECEIVED KANSAS CORPORATION COMMISSION
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	 Signature of Applicant or Agent	CONSERVATION DIVISION WICHITA, KS

15-107-24299-00-00

KCC OFFICE USE ONLY			
Date Received: 6-30-10	Permit Number: _____	Permit Date: 7-8-10	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS			

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

July 08, 2010

Peterson Oil LLC
2530 Bayard Ave
Kansas City, KS 66105-1112

RE: Drilling Pit Application
Cox Lease Well No. 1
NW/4 Sec. 21-20S-22E
Linn 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.

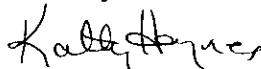
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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.

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