

For KCC Use: 7-14-2010  
 Effective Date: \_\_\_\_\_  
 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

Spot Description:  
 NE SW SE NW Sec. 21 Twp. 20 S. R. 22  E  W  
 (0/0/0/0) 3,040 feet from  N /  S Line of Section  
 1,760 feet from  E /  W Line of Section

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

Is SECTION:  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 32834 ✓  
 Name: JTC Oil, Inc.

County: Linn  
 Lease Name: Cox Well #: 6  
 Field Name: Goodrich-Parker ✓  
 Is this a Prorated / Spaced Field?  Yes  No

Well Drilled For:  Oil  Gas  Seismic; # of Holes \_\_\_\_\_  
 Other: \_\_\_\_\_  
 If OWWO: old well information as follows: \_\_\_\_\_

Well Class:  Infield  Pool Ext.  Wildcat  Other \_\_\_\_\_  
 Enh Rec  Storage  Disposal

Type Equipment:  Mud Rotary  Air Rotary  Cable

Target Formation(s): Squirrel ✓  
 Nearest Lease or unit boundary line (in footage): 880 ✓  
 Ground Surface Elevation: n/a 6x925 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**

RECEIVED  
 KANSAS CORPORATION COMMISSION

JUN 30 2010

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** ~~reach~~ **reach** 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.

CONSERVATION DIVISION  
 WICHITA, KS

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

For KCC Use ONLY  
 API # 15 - 107-24304-00-00  
 Conductor pipe required None feet  
 Minimum surface pipe required 20 feet per ALT.  I  II  
 Approved by: Rum 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

21  
 20  
 22  
 E  
 W

For KCC Use ONLY

API # 15 - 107-24304-0000

**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: 6  
Field: Goodrich-Parker

Location of Well: County: Linn  
3,040 feet from  N /  S Line of Section  
1,760 feet from  E /  W Line of Section  
Sec. 21 Twp. 20 S. R. 22  E  W

Number of Acres attributable to well: \_\_\_\_\_  
QTR/QTR/QTR/QTR of acreage: NE - SW - SE - NW

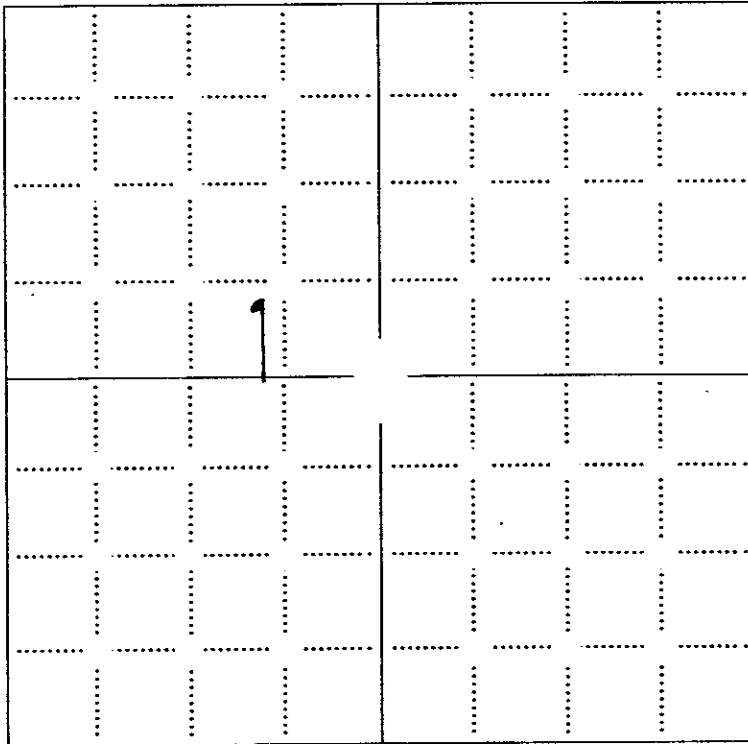
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

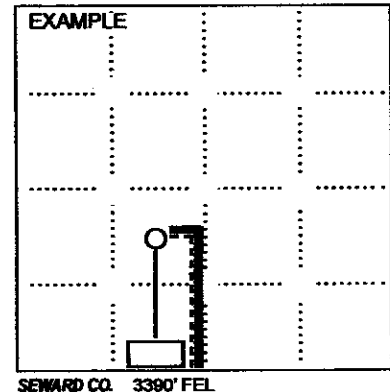
**PLAT**

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: (C0-7 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: <b>Peterson Oil LLC</b>		License Number: <b>34014</b>
Operator Address: <b>2530 Bayard Avenue</b>		<b>Kansas City KS 66105</b>
Contact Person: <b>Kelly Peterson</b>		Phone Number: <b>(913) 642-7771</b>
Lease Name & Well No.: <b>Cox 6</b>		Pit Location (QQQQ): <b>NE SW SE NW</b> Sec. <b>21</b> Twp. <b>20</b> R. <b>22</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>3,040</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1,760</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Linn</b> County
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: <b>250</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 <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? <b>Native clay</b>
Pit dimensions (all but working pits): <b>6</b> Length (feet) <b>12</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>6</b> (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: <b>n/a</b> 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
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>drilling mud</b> Number of working pits to be utilized: <b>2</b> Abandonment procedure: <b>Let air dry and backfill</b> 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.		RECEIVED KANSAS CORPORATION COMMISSION
June 30, 2010 Date	 Signature of Applicant or Agent	JUN 30 2010 CONSERVATION DIVISION WICHITA, KS

15-107-24 304-00-00

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>6-30-10</b>	Permit Number: _____	Permit Date: <b>7-8-10</b>	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



Mark Parkinson, Governor  
Thomas E. Wright, Chairman  
Joseph F. Harkins, Commissioner  
Ward Loyd, Commissioner

July 08, 2010

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

RE: Drilling Pit Application  
Cox Lease Well No. 6  
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](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,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes  
Environmental Protection and Remediation Department

cc: File