

RECEIVED

JUL 15 2010

Form C-1
March 2010

For KCC Use: 7-24-2010
Effective Date: 7-24-2010
District # 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION **KCC WICHITA**

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: 7/12/10
month day year

OPERATOR: License# 34224
Name: Red Cloud Exploration Operating, LLC
Address 1: 1611 St. Andrews Dr 3rd Fl
Address 2: _____
City: Lawrence State: KS Zip: 66047
Contact Person: Kevin Sylla
Phone: 415-850-9183

CONTRACTOR: License# 33986
Name: Owens Petroleum Services

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 SE NE SE Sec. 19 Twp. 25 S. R. 16 E W
(0/0/0/0) 1,850 feet from N / S Line of Section
165 feet from E / W Line of Section
Is SECTION: Regular Irregular?

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

County: Woodson
Lease Name: Weber Well #: 2-10
Field Name: Humboldt Chanute Owl Creek

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Squirrel

Nearest Lease or unit boundary line (in footage): 165

Ground Surface Elevation: 952 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: 200 250

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 40

Length of Conductor Pipe (if any): _____

Projected Total Depth: 1000

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: _____

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 06 2010

CONSERVATION DIVISION
WICHITA, KS

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: 27 June 10 Signature of Operator or Agent: _____ Title: Manager

For KCC Use ONLY
API # 15 - 207-27669-00-00
Conductor pipe required None feet
Minimum surface pipe required 40 feet per ALT. I II
Approved by: [Signature] 7-19-2010
This authorization expires: 7-19-2011
(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

19
25
16
 E
 W

Side Two

RECEIVED

JUL 15 2010

KCC WICHITA

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 207-27669-0000
Operator: Deacon Exploration Company
Lease: Weber
Well Number: 2-10
Field: Herbault - Charle

Location of Well: County: Woodson
1850 feet from N / S Line of Section
165 feet from E / W Line of Section
Sec. 19 Twp. 35 S. R. 16 E W

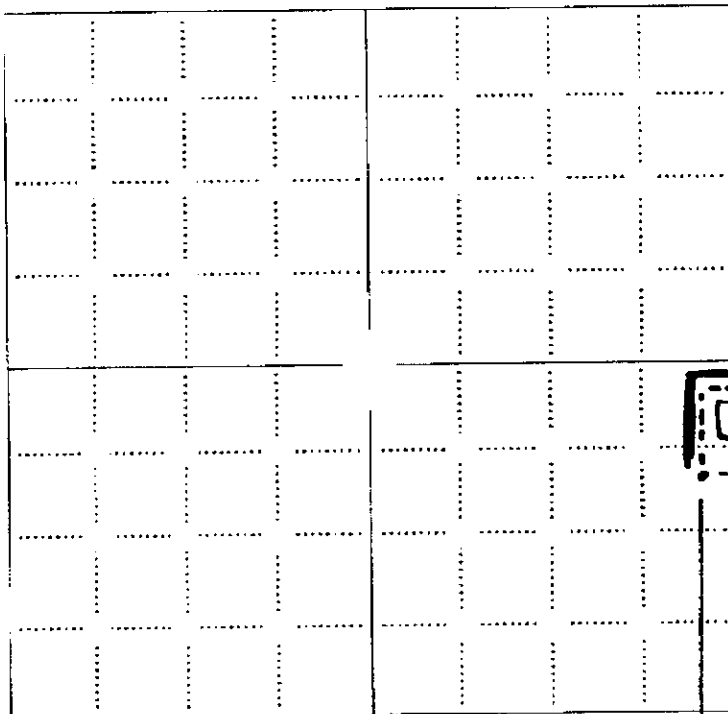
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: NE - SE - NE - SE

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 and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)*

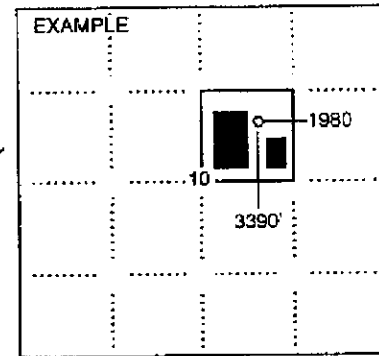


elev 952

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 06 2010

CONSERVATION DIVISION
WICHITA, KS



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

1850

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).

RECEIVED

JUL 15 2010

KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form GDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Red Cloud Exploration Operating, LLC		License Number: 34224
Operator Address: 1611 St. Andrews Dr 3rd Fl		Lawrence KS 66047
Contact Person: Kevin Sylla		Phone Number: 415-850-9183
Lease Name & Well No.: Weber 2-10		Pit Location (QQQQ): NE SE NE SE Sec. 19 Twp. 25 R. 16 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1,850 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 165 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Woodson 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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 300 (bbls)	Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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? Natural Clay Liner
Pit dimensions (all but working pits): 20 Length (feet) 16 Width (feet) Depth from ground level to deepest point: 4 (feet)		<input type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> No Pit
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NA	Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA	RECEIVED KANSAS CORPORATION COMMISSION JUL 06 2010 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit: N/A feet Depth of water well 200 feet	Depth to shallowest fresh water 25 feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	15-207-27669-0000
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: Freshwater, mud Number of working pits to be utilized: 2 Abandonment procedure: Empty 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.		
27, Jun 49 Date		Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 7-15-10 Permit Number:		Permit Date: 7-19-10 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

July 19, 2010

Red Cloud Exploration Operating LLC
1611 St. Andrews Dr. 3rd Fl
Lawrence, KS 66047

RE: Drilling Pit Application
Weber Lease Well No. 2-10
SE/4 Sec. 19-25S-16E
Woodson 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.

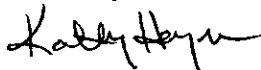
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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

RECEIVED

JUL 15 2010

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

15-207-27669-0000

Form KSONA-1
July 2010

Form Must Be Typed
Form must be Signed
All blanks must be Filled

**KCC WICHITA CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # 34224
Name: Red Cloud Exploration Operating, LLC
Address 1: 1611 St. Andrews Dr., 3rd Fl
Address 2: _____
City: Lawrence State: KS Zip: 66047 + _____
Contact Person: Kevin Sylla
Phone: (415) 850-9183 Fax: (913) 273-0885
Email Address: ksylla@redcloudexploration.com

Well Location:
NE SE NE SE Sec. 19 Twp. 25 S. R. 16 East West
County: Woodson County
Lease Name: Weber Well #: 2-10

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Jerome M. Weber and Janet R. Weber
Address 1: 2073 95th Rd
Address 2: _____
City: Yates Center State: KS Zip: 66783 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.

I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 14 July 14 Signature of Operator or Agent:  Title: Matthew Phem