

***CORRECTED**

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Form C-1
October 2007

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

For KCC Use:
Effective Date: 2-6-2010
District #: 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: JULY 1 2010
month day year

OPERATOR: License# 34027
Name: CEP MID CONTINENT LLC
Address 1: 15 WEST 6TH ST SUITE 1100

Address 2: _____
City: TULSA State: OK Zip: 74119 + 5415

Contact Person: RODNEY TATE, ENG.
Phone: 918-877-2912

CONTRACTOR: License# 34126
Name: SMITH OILFIELD SERVICES

Spot Description: NW NW
* NW-SE! NW NW Sec. 32 Twp. 32 S. R. 17 E W
feet from N / S Line of Section
feet from E / W Line of Section
Is SECTION: Regular Irregular?

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

County: MONTGOMERY
Lease Name: KNISLEY Well #: 32-1

Field Name: KANMXP Cherokee Basin Coal Area
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): WEIR PITT, RIVERTON, MISSISSIPPI
Nearest Lease or unit boundary line (in footage): 425

Ground Surface Elevation: 831 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: 70

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: 1200
Formation at Total Depth: MISSISSIPPI

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: _____

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Other: _____
Well Class: Enh Rec Storage Disposal Other _____
 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 #: _____

*** WAS: NE-SW-NW-NW; 937' FNL; 4855' FNL
IS: NW-SE-NW-NW; 843' FNL; 775' FNL**

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 correct to the best of my knowledge and belief.

Date: 1-22-10 Signature of Operator or Agent: _____

Corrected 7-29-10
Title: ENGINEERING
Therese

For KCC Use ONLY
API # 15 - 125-31920-00-00
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT. I II
Approved by: Jan 2-1-2010 [Signature] 8-3-2010
This authorization expires: 2-1-2011
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Remember to:
- 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 this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 Well Not Drilled - Permit Expired Date: _____
Signature of Operator or Agent: _____

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KANSAS CORPORATION COMMISSION
JAN 29 2010

CONSERVATION DIVISION
WICHITA, KS

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AUG 2 2010

KCC WICHITA

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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.

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API No. 15 - _____

Operator: CEP MID CONTINENT LLC

Lease: KNISLEY

Well Number: 32-1

Field: KANMAP

Location of Well: County: MONTGOMERY
~~987~~ *843* feet from N / S Line of Section
~~4885~~ *775* feet from E / W Line of Section
 Sec. 32 Twp. 32 S. R. 17 E W

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - NW - NW

Is Section: Regular or Irregular

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

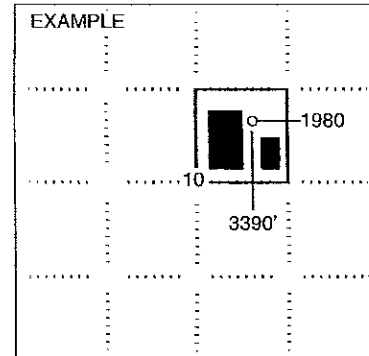
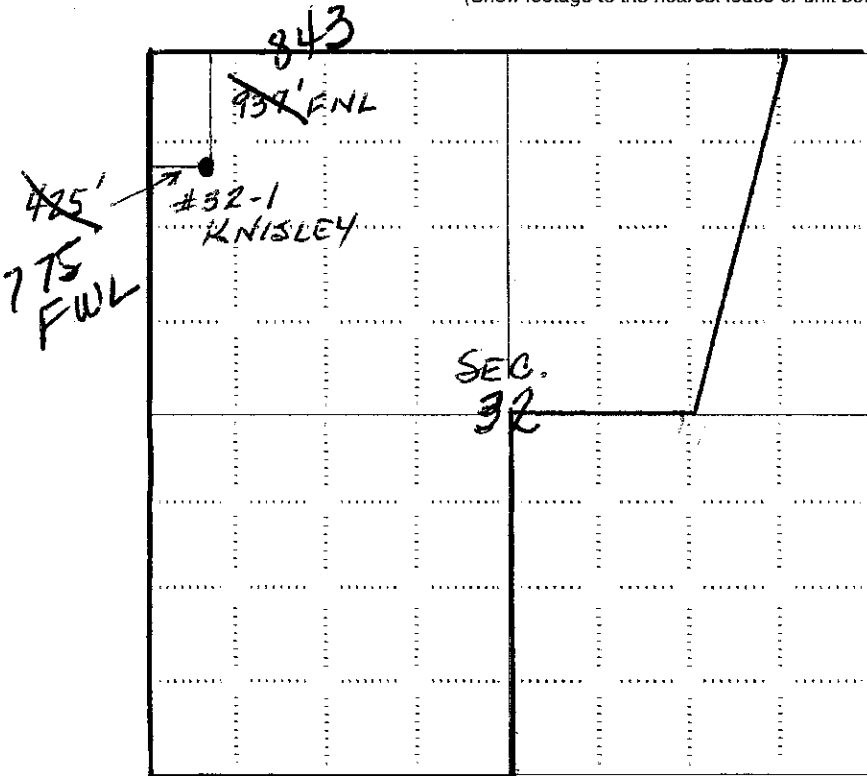
Section corner used: NE NW SE SW

** CORRECTED*

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.)



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

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).

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AUG 02 2010

KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

**CORRECTED*

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: CEP MID CONTINENT LLC		License Number: 34027	
Operator Address: 15 WEST 6TH ST SUITE 1100		TULSA OK 74119	
Contact Person: RODNEY TATE, ENG.		Phone Number: 918-877-2912	
Lease Name & Well No.: KNISLEY 32-1		Pit Location (QQQQ): SE NW 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 (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: <i>* 937-843</i> Pit capacity: 1,710 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? [REDACTED]			
Pit dimensions (all but working pits): 30 Length (feet) 40 Width (feet)		N/A: Steel Pits	
Depth from ground level to deepest point: 8 (feet)		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	
Distance to nearest water well within one-mile of pit 4856 feet Depth of water well 70 feet		Depth to shallowest fresh water 20 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: FRESH WATER Number of working pits to be utilized: 1 Abandonment procedure: AIR DRIED AND BACKFILLED 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.			
1-22-10 Date		<i>7/29/10</i> <i>*CORRECTED</i> Signature of Applicant or Agent: <i>Mickie Hester</i>	
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: 8-2-10 Permit Number: _____ Permit Date: 8-2-10 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

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