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JUL 13 2010

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

Form CP-1

March 2010

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

WELL PLUGGING APPLICATION

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

OPERATOR: License #: 6627
 Name: Prospect Oil & Gas, Inc.
 Address 1: P.O. Box 837
 Address 2: _____
 City: Russell State: Ks Zip: 67665 + _____
 Contact Person: Rick Kilian
 Phone: (785) 483-1522

API No. 15 - 167-03179-00-00
 If pre 1967, supply original completion date: 6-30-1952
 Spot Description: SE SE NE
SE SE NE Sec. 3 Twp. 15 S. R. 13 ☐ East ☒ West
2,310 Feet from ☒ North / ☐ South Line of Section
330 Feet from ☒ East / ☐ West Line of Section
 Footages Calculated from Nearest Outside Section Corner:
☒ NE ☐ NW ☐ SE ☐ SW
 County: Russell
 Lease Name: Rudiger-Shaffer Well #: 3

Check One: ☒ Oil Well ☐ Gas Well ☐ OG ☐ D&A ☐ Cathodic ☐ Water Supply Well ☐ Other: _____
☐ SWD Permit #: _____ ☐ ENHR Permit #: _____ ☐ Gas Storage Permit #: _____

Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks
 Surface Casing Size: N/A Set at: N/A' Cemented with: N/A Sacks
 Production Casing Size: 5 1/2" Set at: 3077" Cemented with: 100 Sacks

List (ALL) Perforations and Bridge Plug Sets:

Elevation: 1815 (☒ G.L. / ☐ K.B.) T.D.: 3086 PBTD: _____ Anhydrite Depth: 758-792
 (Stone Corral Formation)

Condition of Well: ☐ Good ☐ Poor ☒ Junk in Hole ☐ Casing Leak at: _____
 (Interval)

Proposed Method of Plugging (attach a separate page if additional space is needed):

As per Hays district regulations

Is Well Log attached to this application? ☐ Yes ☒ No Is ACO-1 filed? ☒ Yes ☐ No

If ACO-1 not filed, explain why:

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission

Company Representative authorized to supervise plugging operations: Rick Kilian

Address: P.O. Box 837 City: Russell State: Ks Zip: 67665 + _____
 Phone: (785) 483-1522

Plugging Contractor License #: 32528 Name: Funk Oil
 Address 1: 331 N. Brooks Address 2: _____

City: Russell, Kansas 67665 State: Ks Zip: 67665 + _____
 Phone: (785) 324-1041

Proposed Date of Plugging (if known): Unknown

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 7-1-10 Authorized Operator / Agent: [Signature]
 (Signature)

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



CORPORATION COMMISSION

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

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

PROSPECT OIL & GAS CORP
PO BOX 837
RUSSELL, KS 67665-0837

July 15, 2010

Re: RUDIGER-SHAFFER #3
API 15-167-03179-00-00
3-15S-13W, 2310 FNL 330 FEL
RUSSELL COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.**

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. This notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after January 11, 2011. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely

Steve Bond
Production Department Supervisor

District: #4
2301 E. 13th
Hays, KS 67601
(785) 625-0550

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax (316) 337-6211 • <http://kcc.ks.gov/>

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Form KSONA-1

July 2010

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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 # 6627
Name: Prospect Oil & Gas, Inc.
Address 1: P.O. Box 837
Address 2: _____
City: Russell State: Ks Zip: 67665 + _____
Contact Person: Rick Kilian
Phone: (785) 483-1522 Fax: (785) 483-6266
Email Address: _____

Well Location:
SE SE NE Sec. 3 Twp. 15 S. R. 13 ☐ East ☒ West
County: Russell
Lease Name: Rudiger-Shaffer Well #: 3

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

Surface Owner Information:

Name: Waymaster Farms
Address 1: 4123 193rd Street
Address 2: _____
City: Bunker Hill State: Ks Zip: 67665 + _____

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: 7-1-10 Signature of Operator or Agent: Brian H. H. H. Title: PARTNER