

For KCC Use:
 Effective Date: 10-9-2010
 District # _____
 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: October 15 2010
month day year

OPERATOR: License# 34089
 Name: Agricultural Energy Services, Inc.
 Address 1: 1755 W. Broadway St., Suite 6
 Address 2: _____
 City: Oviedo State: FL Zip: 32765 +
 Contact Person: Montgomery Escue
 Phone: 407-721-5062
 CONTRACTOR: License# 34317
 Name: Beredco LLC

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: _____
 C - NW - NW Sec. 23 Twp. 33 S. R. 31 E W
 (a/a/a) 660 feet from N / S Line of Section
660 feet from E / W Line of Section

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

Lease Name: The Don Thorp Well # 2-23
 Field Name: Kismet
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): St. Louis

Nearest Lease or unit boundary line (in footage): 660
 Ground Surface Elevation: est 2742 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: 580
 Depth to bottom of usable water: 580
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 1500
 Length of Conductor Pipe (if any): None
 Projected Total Depth: 5800
 Formation at Total Depth: St. Louis

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: _____

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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: Sept. 23, 2010 Signature of Operator or Agent: [Signature] Title: Operator

For KCC Use ONLY
 API # 15 - 175-22186-0000
 Conductor pipe required None feet
 Minimum surface pipe required 600 feet per ALT. I II
 Approved by: [Signature] 10-4-2010
 This authorization expires: 10-4-2011
 (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

23
 33
 31
 E
 W

For KCC Use ONLY

API # 15 - 175-22186-0000

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: Agricultural Energy Services, Inc.
 Lease: The Don Thorp
 Well Number: 2-23
 Field: Kismet

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

Location of Well: County: Seward
 660 feet from N / S Line of Section
 660 feet from E / W Line of Section
 Sec. 23 Twp. 33 S. R. 31 E W

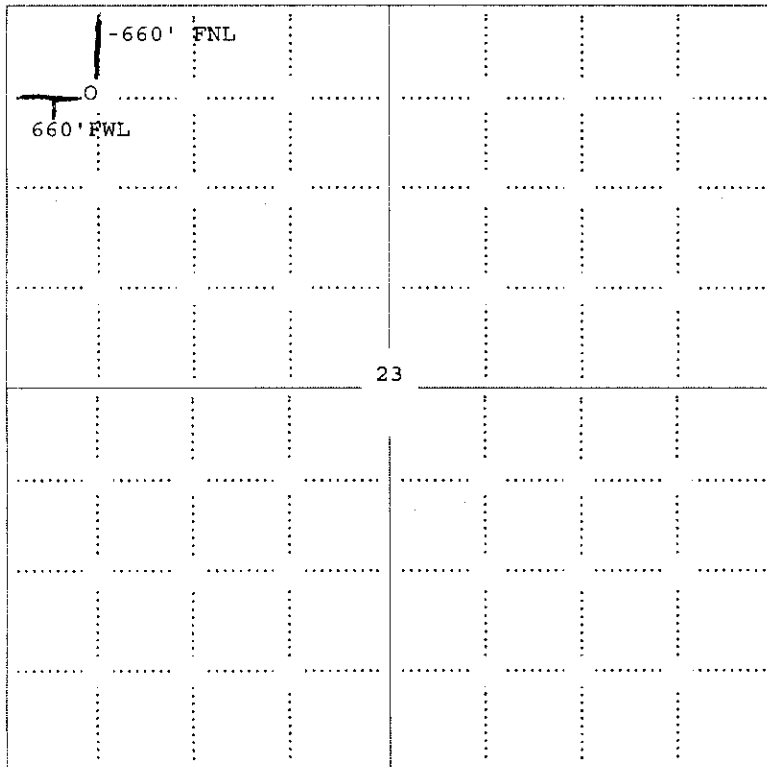
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

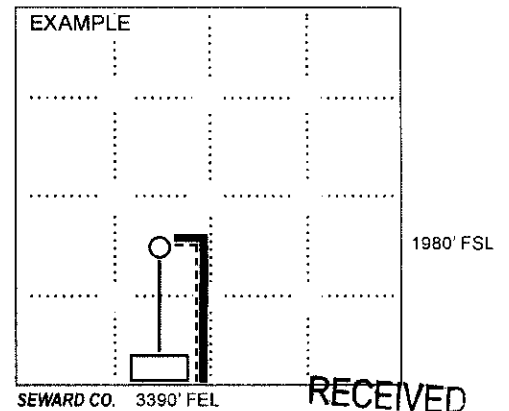
PLAT

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



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In plotting the proposed location of the well, you must show:

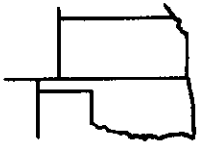
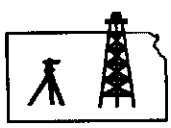
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease 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.

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Pro-Stake LLC
Oil Field & Construction Site Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499

a092210-x
PLAT NO.

8974
INVOICE NO.

Agricultural Energy Services, Inc.
OPERATOR

Don Thorp #2-23
LEASE NAME

Seward County, KS
COUNTY

23 33s 31w
Sec. Twp. Rng.

660' FNL - 660' FWL
LOCATION SPOT

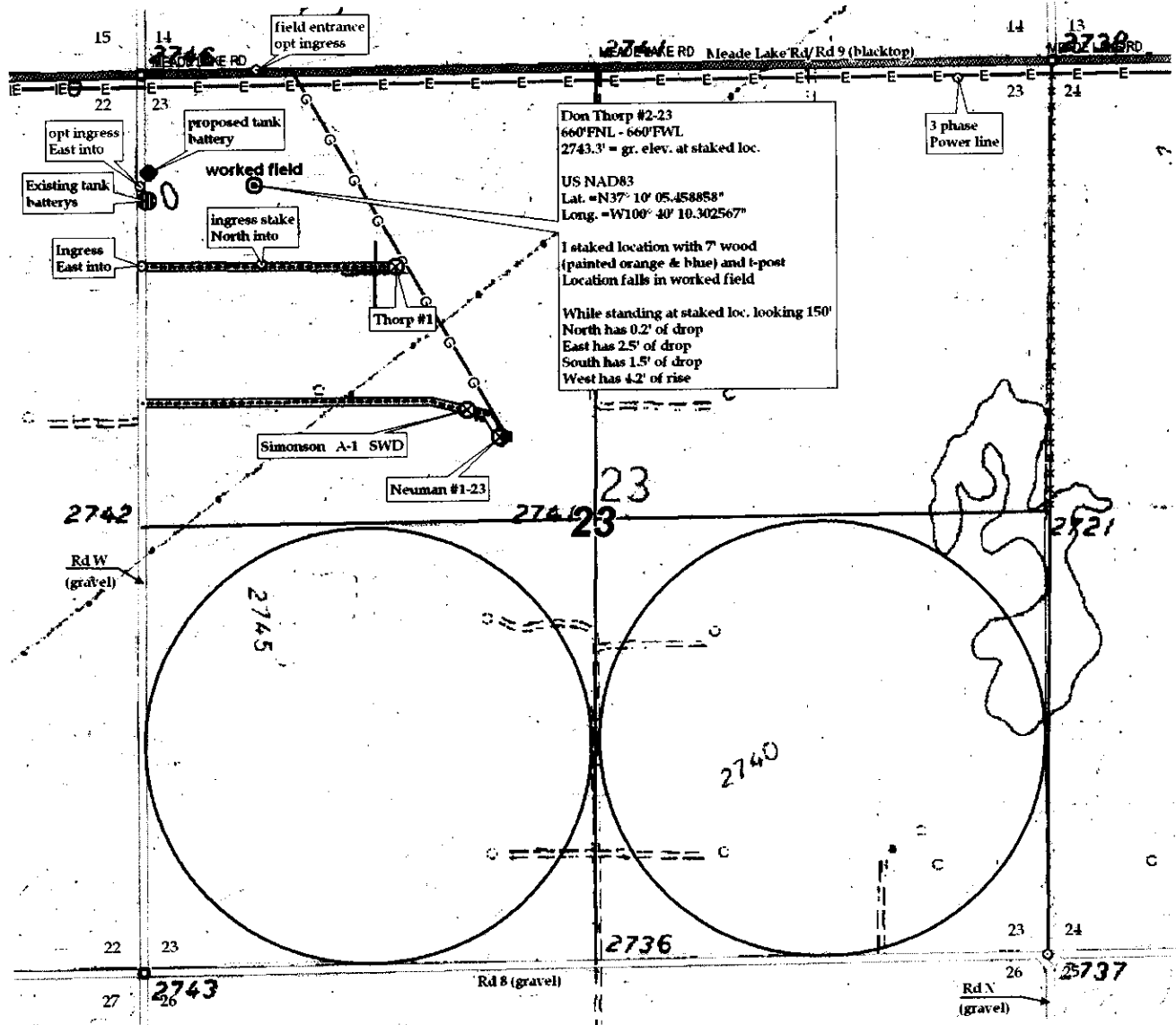
SCALE: 1" = 1000'
DATE: Sept 22th, 2010
MEASURED BY: Luke R.
DRAWN BY: Luke R.
AUTHORIZED BY: Charmane B.



GR. ELEVATION: 2743.3'

Directions: From the SE side of Kismet, Ks at the intersection of Hwy 54 & CR 11 East - Now go 0.6 mile East on CR 11 - Now go 2 miles South on CR V - Now go 1 mile East on Meade Lake Rd/Rd 9 to the NW corner of section 23-33s-31w - Now go 0.2 mile South on CR W to ingress East into - Now go 0.1 mile East on lease Rd to ingress stake North into - Now go 495' North through worked field into staked location.
Final ingress must be verified with land owner or Operator

*This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only*

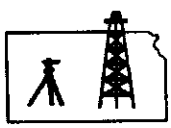
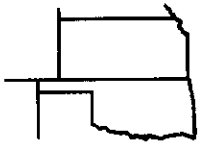


15-175-22186-00-02

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Pro-Stake LLC
Oil Field & Construction Site Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499

a092210-X
PLAT NO.

8974
INVOICE NO.

Agricultural Energy Services, Inc.
OPERATOR

Don Thorp #2-23
LEASE NAME

Seward County, KS
COUNTY

23 33s 31w
Sec. Twp. Rng.

660' FNL - 660' FWL
LOCATION SPOT

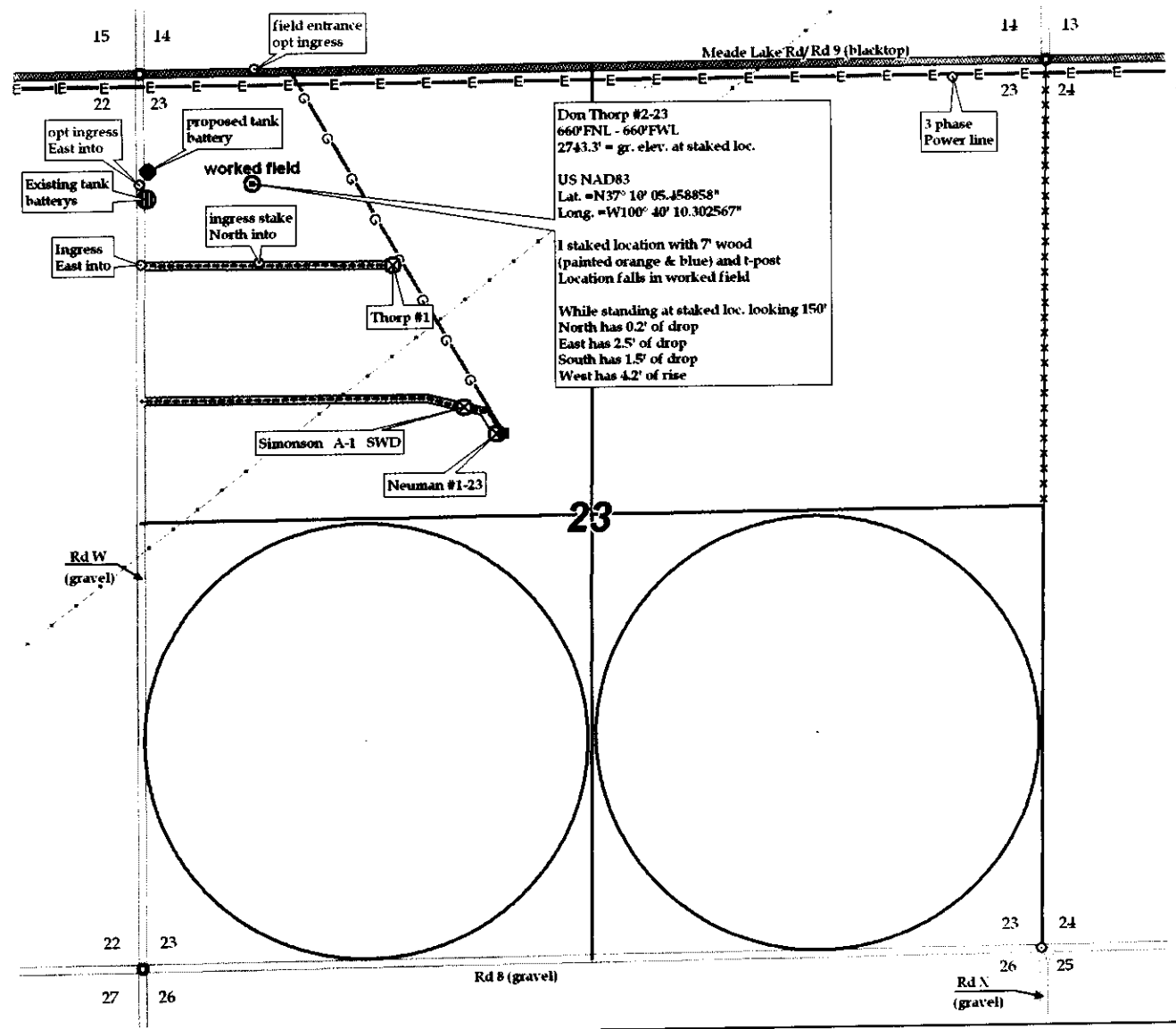
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Final ingress must be verified with land owner or Operator

This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only



Don Thorp #2-23
660'FNL - 660'FWL
2743.3' = gr. elev. at staked loc.
US NAD83
Lat. =N37° 10' 05.458858"
Long. =W100° 40' 10.302567"
I staked location with 7' wood (painted orange & blue) and t-post
Location falls in worked field
While standing at staked loc. looking 150°
North has 0.2' of drop
East has 2.5' of drop
South has 1.5' of drop
West has 4.2' of rise

**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: Agricultural Energy Services, Inc.		License Number: 34089
Operator Address: 1755 W. Broadway St., Suite 6		Oviedo FL 32765
Contact Person: Montgomery Escue		Phone Number: 407-721-5062
Lease Name & Well No.: The Don Thorp 2-23		Pit Location (QQQQ): C 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 <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: _____ (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 <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? Drly mud		
Pit dimensions (all but working pits): <u>110</u> Length (feet) <u>110</u> Width (feet) <input checked="" type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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.
		RECEIVED OCT 01 2010 KCC WICHITA
Distance to nearest water well within one-mile of pit: <u>1047</u> feet Depth of water well <u>561</u> feet		Depth to shallowest fresh water <u>212</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> DWR
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: <u>Mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>air dry and evaporate and backfill</u> 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.		
_____ Date Sept. 23 2010		_____ Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>10-1-10</u> Permit Number: _____ Permit Date: <u>10-4-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-175-22RB-0000



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

October 4, 2010

Agricultural Energy Services, Inc.
1755 W. Broadway St. Ste 6
Oviedo, FL 32765

Re: Drilling Pit Application
The Don Thorp Lease Well No. 2-23
NW/4 Sec. 23-33S-31W
Seward 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 within 96 hours of drilling completion.

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) 225-8888 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,

A handwritten signature in black ink, appearing to read "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: File

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 # 34089
Name: Agricultural Energy Services, Inc.
Address 1: 1755 W. Broadway St., Suite 6
Address 2:
City: Oviedo State: FL Zip: 32765 +
Contact Person: Montgomery Escue
Phone: (407) 721-5062 Fax: (407) 386-9929
Email Address: montgomery.escue@agenergy.com

Well Location:
C NW NW Sec. 23 Twp. 33 S. R. 31 East West
County: Seward
Lease Name: The Don Thorp Well #: 2-23

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

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Surface Owner Information:

Name: Donald Thorp
Address 1: 23320 Road 6
Address 2:
City: Kismet State: KS Zip: 67859 +

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.

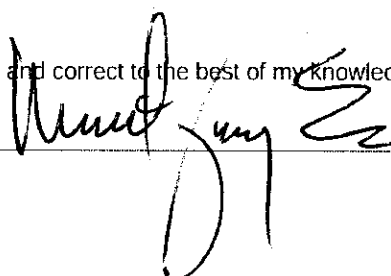
Select one of the following:

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: Sept. 23, 2010 Signature of Operator or Agent:  Title: Operator