

\* Corrected Footage \*

CORRECTED

For KCC Use:

Effective Date: 12-14-2010

District # 4

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

Form C-1

March 2010

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date: January 10 2011  
month day year

OPERATOR: License# 32826

Name: ALEO Oil Company dba

Address 1: 5907 West Broadway

Address 2:

City: Great Bend State: KS Zip: 67530

Contact Person: Roger Michaelis

Phone: 785-786-5422

CONTRACTOR: License# 33350

Name: Southwind Drilling, Inc.

Well Drilled For:

☒ Oil  
☐ Gas

☐ Enh Rec  
☐ Storage  
☐ Disposal

Well Class:

☒ Infield  
☐ Pool Ext.  
☐ Wildcat  
☐ Other

Type Equipment:

☒ Mud Rotary  
☐ Air Rotary  
☐ Cable

☐ Seismic; # of Holes  
☐ Other:

☐ 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: NW-NW-NE; 480' FNL, 220' FEL  
IS: NE-SE-NW-NE 740' FNL; 1540' FEL

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: 12/29/2010

Signature of Operator or Agent:

Jennifer Heape

Title: Agent

For KCC Use ONLY

API # 15 - 167-23682-00-00

Conductor pipe required None feet

Minimum surface pipe required 360 feet per ALT. ☒ I ☐ II

Approved by: RWH 12-9-2010 / KWH 1-4-2011

This authorization expires: 12-9-2011

(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

36  
15  
14  
☐ E ☒ W

For KCC Use ONLY

API # 15 - 167-23682-00-00**CORRECTED****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: ALEO Oil Company  
 Lease: Rudolf Deines  
 Well Number: 2  
 Field: Trapp

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_

Location of Well: County: Russell  
740 feet from ☒ N / ☐ S Line of Section  
1540 feet from ☒ E / ☐ W Line of Section  
 Sec. 36 Twp. 15 S. R. 14 ☐ E ☒ W

Is Section: ☒ Regular or ☐ Irregular

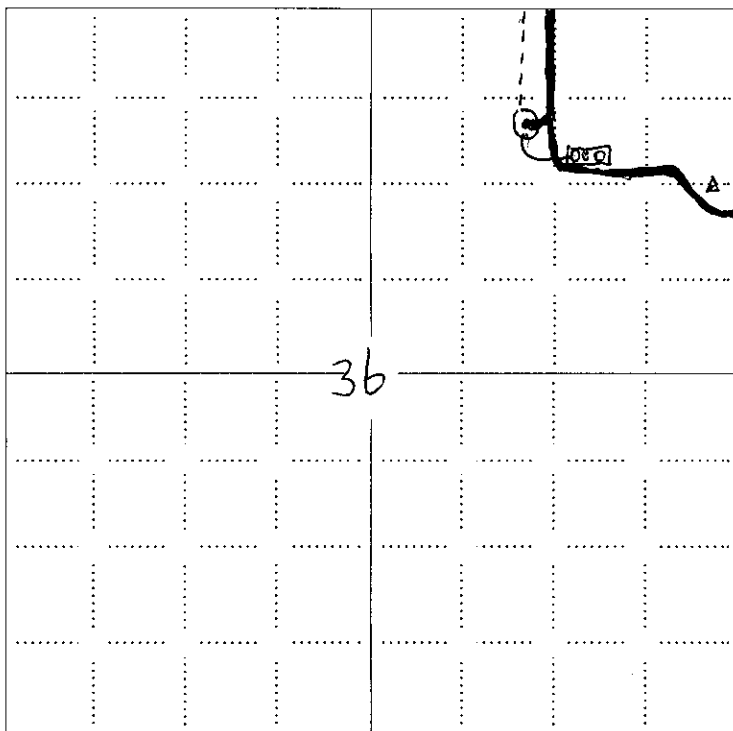
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

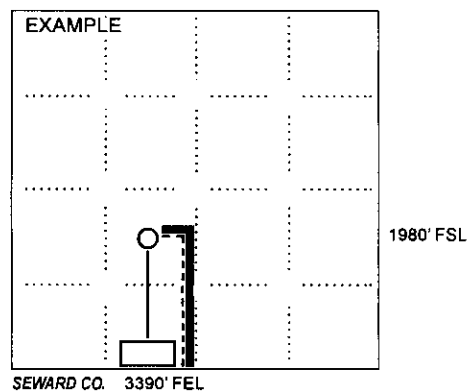
**PLAT**

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



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

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

- 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.
- The distance of the proposed drilling location from the south / north and east / west outside section lines.
- The distance to the nearest lease or unit boundary line (in footage).
- 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).
- The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

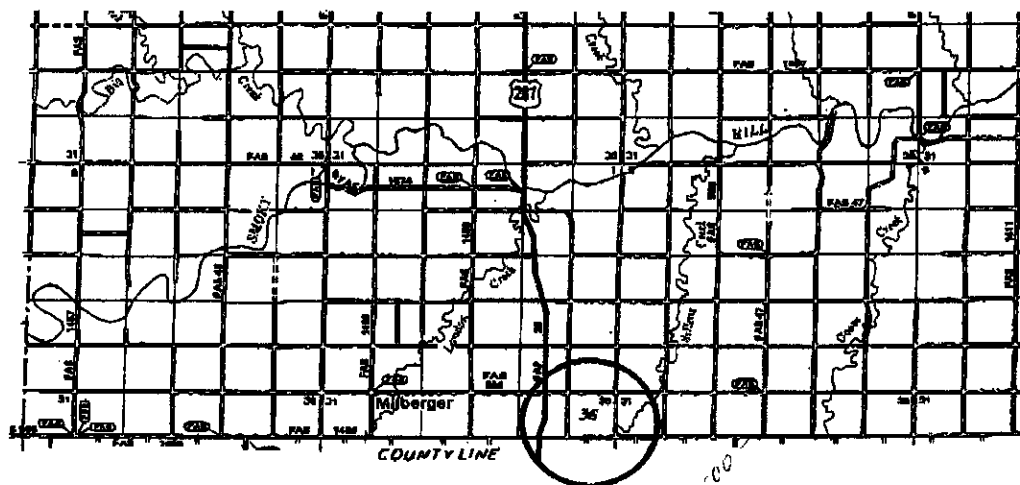
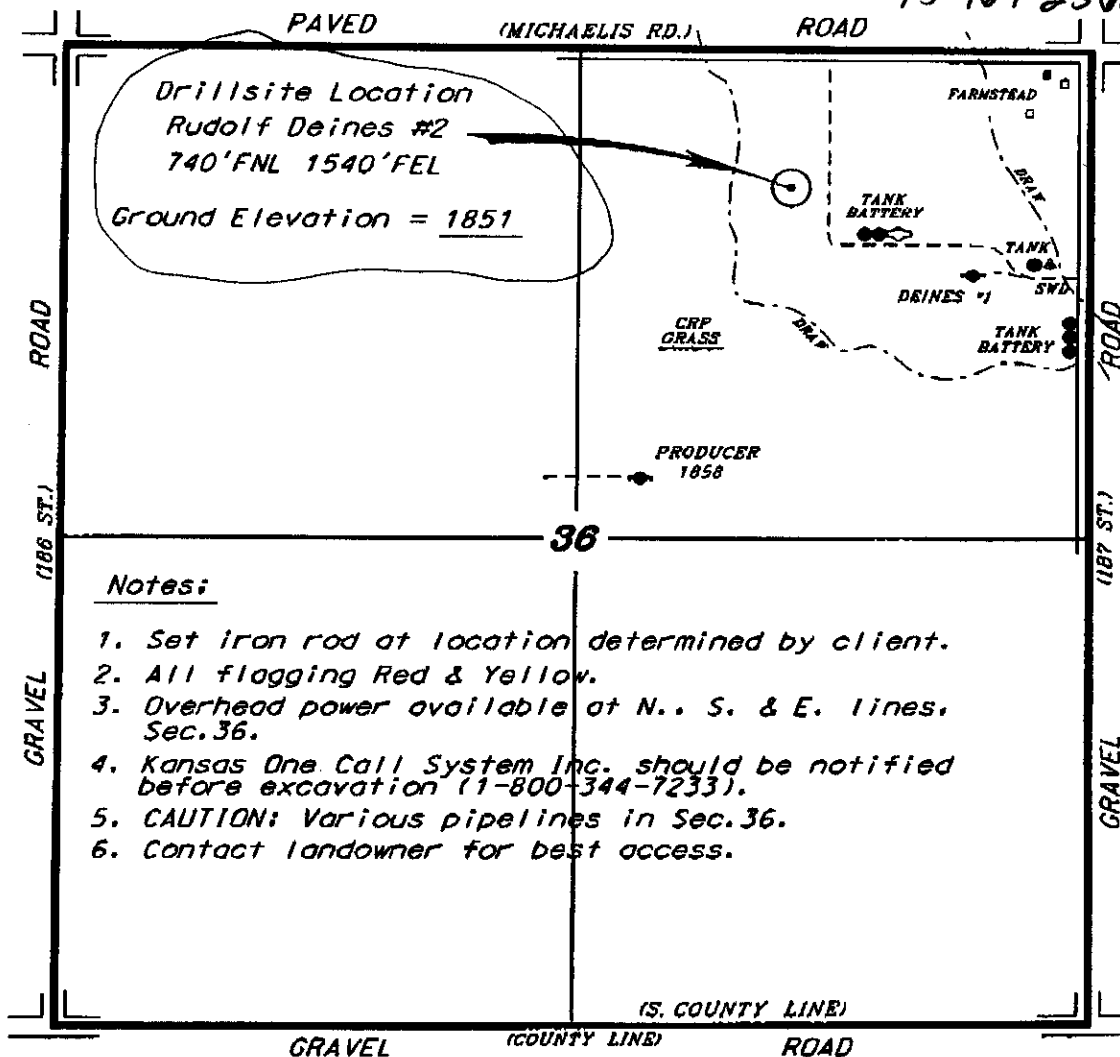
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JAN 03 2011

KCC WICHITA

ALCO OIL COMPANY  
RUDOLF DEINES LEASE  
NE 1/4, SECTION 36, T15S, R14W  
RUSSELL COUNTY, KANSAS

**CORRECTED**  
15-167-23682-000



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JAN 03 2011  
KCC WICHITA

Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.

Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator assuming this service and accepting this drill and all other parties relying thereon agree to hold Central Kansas Drilling Services, Inc., its officers and employees harmless from all losses, costs and expenses and hold harmless released from any liability from incidental or consequential damages.

Elevations derived from National Geodetic Vertical Datum.

Date

December 10, 2010

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

## 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 # 32826  
Name: ALEO Oil Company dba  
Address 1: 5907 West Broadway  
Address 2: \_\_\_\_\_  
City: Great Bend State: KS Zip: 67530 + \_\_\_\_\_  
Contact Person: Roger Michaelis  
Phone: ( 620 ) 786-5422 Fax: ( \_\_\_\_\_ ) \_\_\_\_\_  
Email Address: \_\_\_\_\_

Well Location:  
NE SE NW NE Sec. 36 Twp. 15 S. R. 14 ☐ East ☒ West  
County: Russell  
Lease Name: Rudolf Deines Well #: 2

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

### Surface Owner Information:

Name: Gerald Michaelis  
Address 1: 979 NW 230th Avenue  
Address 2: Phone: 620-935-4230  
City: Russell 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: 12/29/2010 Signature of Operator or Agent: Jennifer Heape Title: Agent

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JAN 03 2011

KCC WICHITA

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**CORRECTED**


Form CDP-1

May 2010

Form must be Typed

**APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name: <b>ALEO Oil Company dba</b>		License Number: <b>32826</b>	
Operator Address: <b>5907 West Broadway</b>		Great Bend KS 67530	
Contact Person: <b>Roger Michaelis</b>		Phone Number: <b>785-786-5422</b>	
Lease Name & Well No.: <b>Rudolf Deines 2</b>		Pit Location (QQQQ): <b>NE SE NW NE</b>	
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>4,500</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>Earthen Clay</b>			
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet) <input 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.	
Distance to nearest water well within one-mile of pit: <u>NA</u> feet    Depth of water well _____ feet		Depth to shallowest fresh water <u>12</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" 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: <u>Chemical drilling mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Empty, let dry then 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.			
<u>12/29/2010</u> Date		 Signature of Applicant or Agent	

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KCC WICHITA

15167-23682-0000

<b>KCC OFFICE USE ONLY</b>			
Date Received: <u>1/3/11</u>		Permit Number: _____	
Permit Date: <u>1/3/11</u>		Lease Inspection: <input 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

December 9, 2010

ALEO Oil Company  
5907 W. Broadway  
Great Bend, KS 67530

RE: Drilling Pit Application  
Rudolf Deines Lease Well No. 2  
NE/4 Sec. 36-15S-14W  
Russell 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. **Keep pits away from any draw, creek.**

**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 (785) 625-0550 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,

Kathy Haynes  
Environmental Protection and Remediation Department

cc: district