

For KCC Use: 3-12-2011
Effective Date: 3-12-2011
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL
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: DECEMBER 13, 2010
month day year

OPERATOR: License# 34320
Name: LASSO ENERGY LLC
Address 1: P.O. BOX 465
Address 2: 1125 SOUTH MAIN
City: CHASE State: KS Zip: 67524 + 0465
Contact Person: BRUCE D. KELSO
Phone: 918-633-9655

CONTRACTOR: License# 33323
Name: PETROMARK DRILLING LLC

Well Drilled For: Oil Enh Rec Gas 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: JEREL INC
Well Name: SAYLER #1
Original Completion Date: 9/17/1973 Original Total Depth: 4030
116/114

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: N/A
Bottom Hole Location: 4030
KCC DKT #: N/A

**ORIGINAL WELL WAS D&A NEVER COMPLETED
NO ORIGINAL COMPLETION DATE**

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: 11/18/2010 Signature of Operator or Agent: Bruce D. Kelso Title: ENGINEER

For KCC Use ONLY
API # 15 - 185-20465-0001
Conductor pipe required 0 feet
Minimum surface pipe required 250 feet per ALT. I II
Approved by: [Signature] 3-7-2011
This authorization expires: 3-7-2012
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: _____ Agent: _____

Spot Description: CONGLOMERATE
0 - C - NE - NE Sec. 3 Twp. 24 S. R. 14 E W
(00000) 4,620 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: STAFFORD
Lease Name: PETROS Well #: 1
Field Name: RATTLESNAKE NORTH Unnamed

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): CONGLOMERATE
Nearest Lease or unit boundary line (in footage): 660

Ground Surface Elevation: 1949 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: 150'
Depth to bottom of usable water: 230' 180'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 250' ALREADY SET (OWWO)
Length of Conductor Pipe (if any): 0'
Projected Total Depth: 4090'

Formation at Total Depth: CONGLOMERATE
Water Source for Drilling Operations:
 Well Farm Pond Other: TRUCK
DWR Permit #: 389 (KGS #84450) OR #185 (KGS# 84452)

(Note: Apply for Permit with DWR
Will Cores be taken? Yes No
If Yes, proposed zone: N/A

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- 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: _____

3
24
14
 E
 W

For KCC Use ONLY

API # 15 - 185-20-465-0001

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: LASSO ENERGY LLC
 Lease: PETROS
 Well Number: 1
 Field: RATTLESNAKE NORTH
 Number of Acres attributable to well: 160
 QTR/QTR/QTR/QTR of acreage: C - C - NE - NE

Location of Well: County: STAFFORD
 4,620 feet from N / S Line of Section
 660 feet from E / W Line of Section
 Sec. 3 Twp. 24 S. R. 14 E W

Is Section: Regular or Irregular

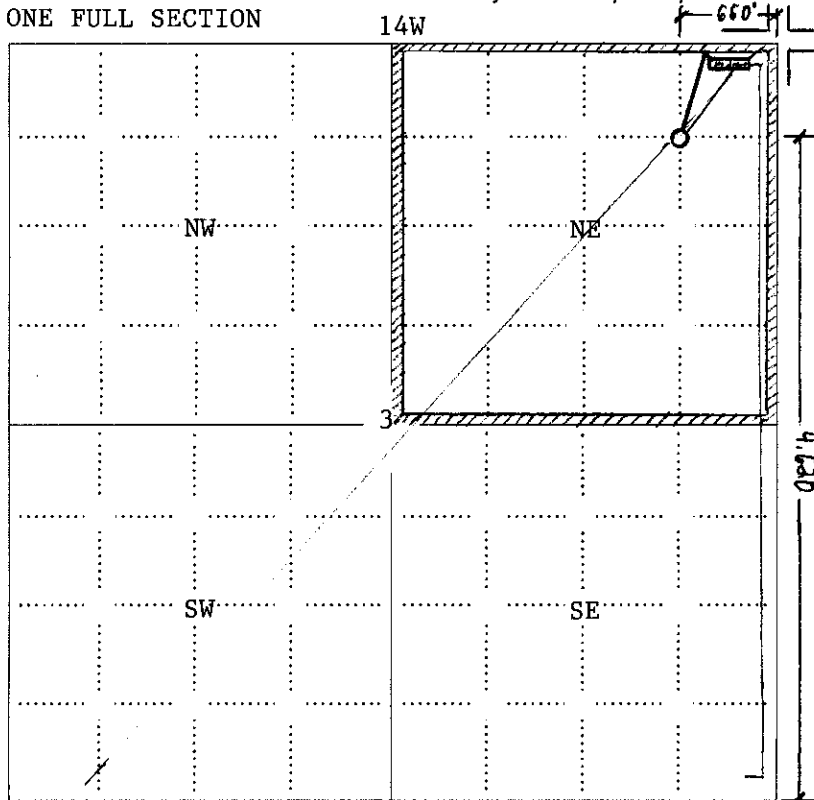
If Section is Irregular, locate well from nearest corner boundary.

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).

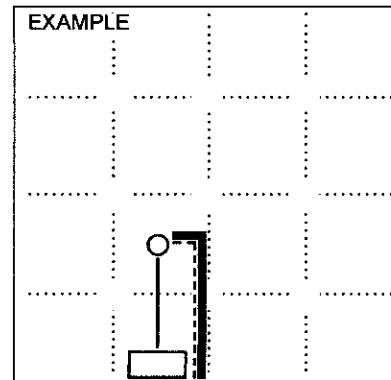
You may attach a separate plat if desired.



ALSO SEE ATTACHMENT

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. STAFFORD CO.

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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. (1 SECTION)
2. The distance of the proposed drilling location from the south / north and east / west outside section lines. (660 FEL 4,620 FSL)
3. The distance to the nearest lease or unit boundary line (in footage). (660')
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). NO
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines. MAY RUN GAS ENGINE

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 # 34320
Name: LASSO ENERGY LLC
Address 1: P.O. BOX 465
Address 2: 1125 SOUTH MAIN
City: CHASE State: KS Zip: 67524 + 0465
Contact Person: BRUCE D. KELSO
Phone: (918) 633-9655 Fax: (620) 938-2945
Email Address: bkelso@lassoenergy.com

Well Location:
C C NE NE Sec. 3 Twp. 24 S. R. 14 East West
County: STAFFORD
Lease Name: PETROS Well #: 1

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

Surface Owner Information:

Name: RICK CORNWELL
Address 1: 414 NW 30TH AVE
Address 2: (620) 549-6349
City: SAINT JOHN State: KS Zip: 67576 + 0000

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.

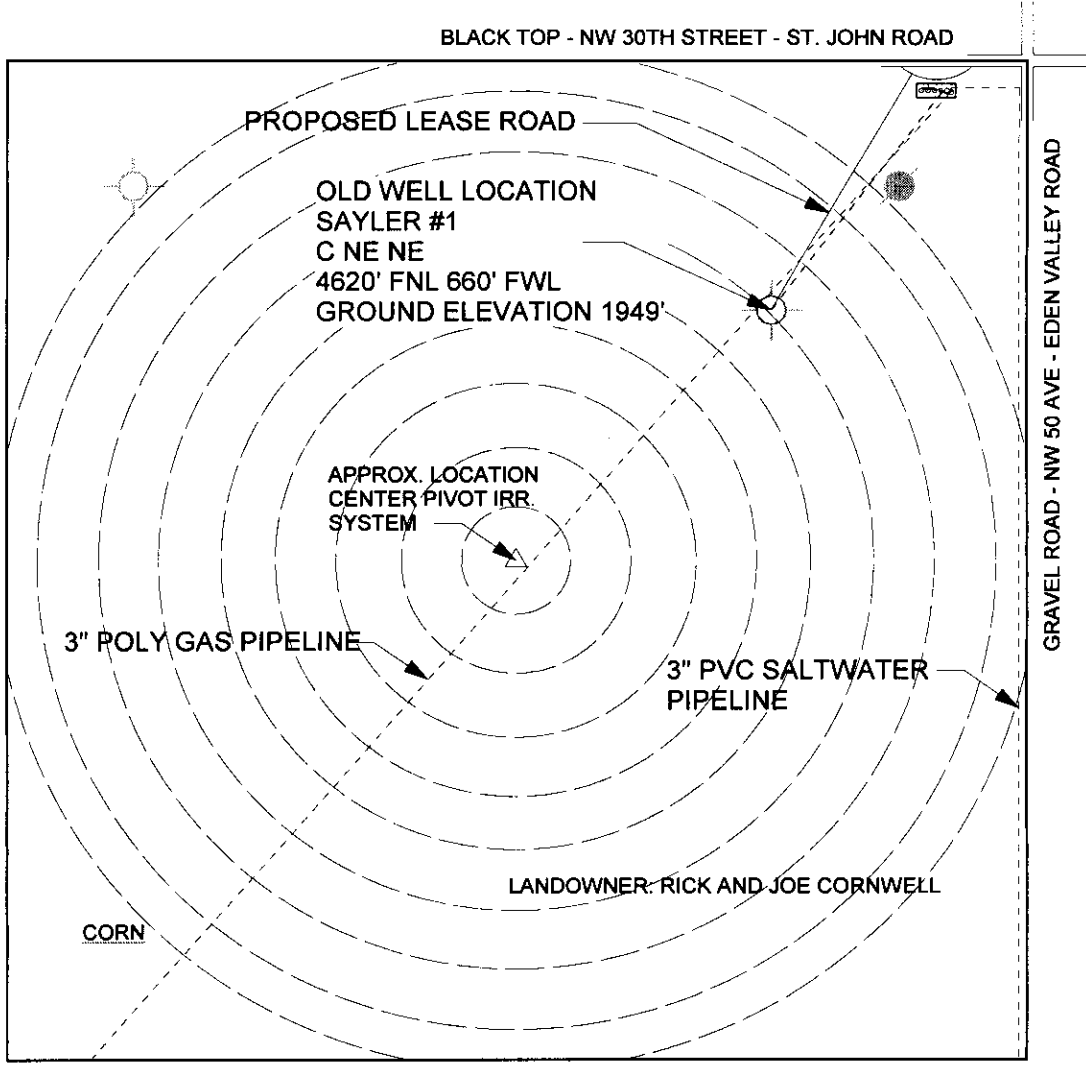
Date: 11/18/2010 Signature of Operator or Agent: Bruce Kelso Title: ENGINEER

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15-185-20465-0001



LASSO ENERGY LLC
LASSO PETROS LEASE
STAFFORD COUNTY, KANSAS
3-T24S-14W
NE/4 (160 ACRES)
84.7656250% NRI
SCALE: 1" = 500'

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REVISION	DESCRIPTION
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WELL No: 1

REV.

15185-20465-0001

KB: _____

5 1/2" X 2 7/8" TUBING HEAD

1949'



2 7/8" TUBING SUB(S)

SURFACE CASING: 8 5/8" @ 250' w/185 SX CMT TO SURFACE

2 7/8" J55 API UPSET TUBING
6.4#/FT - 2.441" ID, 2.875" OD

TOC: _____

CONGLOMERATE PERFORATIONS

2 7/8" COUPLING

2 7/8" SEATING NIPPLE

2 7/8" COUPLING

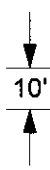
2 7/8" X 15' MUD ANCHOR

PRODUCTION CASING:
5 1/2" @ 4090'
7 7/8" HOLE (BIT)

TD: 4090'
PBTD: 4050' APPROX.

PUMPING UNIT: L - 114 - 64 (64" SURFACE STROKE)
LOW PROFILE UNIT
18 HP - C-66 ENGINE OR 25HP ELECTRIC MOTOR
1.25" X 16" POLISHED ROD
7/8" AND 3/4" SUCKER RODS
7/8" PONY RODS:
1.50" X 25' SINKER BARS: 1 SINKER BAR
MAX SPEED: 14 SPM
MAX PUMP DISPLACEMENT: 300 BPD

1.50" OR 2.00" BORE INSERT PUMP
PUMP LENGTH: 12'
BOTTOM HOLD-DOWN TYPE TRAVELING BARREL
1" GAS SEPERATOR ON THE BOTTOM
2' X 7/8" PONY ROD ON TOP OF PUMP



DRAWN: BK 11/01/10 APPROVED: LEASE: PETROS	WELL No: 1	REV.
	SCALE: N/A	
	LOCATION: 3-24S-14W - STAFFORD CO.	

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TOLERANCES (Unless Otherwise Specified)
 Fractional..... ± 1/32"
 2 Place Decimal..... ± .030
 3 Place Decimal..... ± .005
 4 Place Decimal..... ± .001

15-185-20465-0000

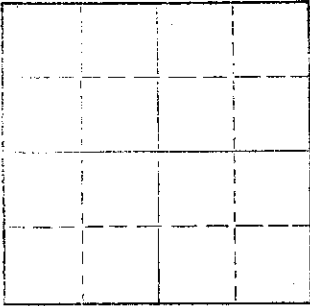
STATE OF KANSAS
STATE CORPORATION COMMISSION

Form CP-4

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
P. O. Box 17027
Wichita, Kansas 67217
NORTH

WELL PLUGGING RECORD

Stafford County Sec. 3 Twp. 24 Rge. 14 (E) W (W)
Location as "NE, CNW&SW $\frac{1}{4}$ " or footage from lines C NE/4, NE/4
Lease Owner JERREL, INC.
Lease Name SAYLER Well No. 1
Office Address Box 342, Great Bend, Kansas 67530
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed January 6 19 74
Application for plugging filed January 6 19 74
Application for plugging approved January 6 19 74
Plugging commenced January 6 19 74
Plugging completed January 6 19 74
Reason for abandonment of well or producing formation



Locate well correctly on above
Section Plat

If a producing well is abandoned, date of last production 19
Was permission obtained from the Conservation Division or its agents before plugging was com-
menced? yes

Name of Conservation Agent who supervised plugging of this well G. Russell Bieberstein
Producing formation Depth to top Bottom Total Depth of Well 4030 Feet
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from feet to feet for each plug set.

Hole full of heavy mud to 500'. Plug set with 40 sacks cement thru drill pipe.
Middle plug set at 200' w/ 25 sacks cement thru drill pipe.
Top plug set at 40' w/ 1/2 sk. hulls and 15 sacks cement.
3 sacks cement in rat hole.

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STATE CORPORATION COMMISSION
JAN 11 1974
CONSERVATION DIVISION
Wichita, Kansas

(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor
Address

STATE OF KANSAS COUNTY OF Barton, ss.
Leonard Williamson (employee of owner) or (owner/contractor) of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) Leonard Williamson
Box 823 - Great Bend, Kansas
(Address)

SUBSCRIBED AND SWORN TO before me this 10th day of JANUARY, 19 74

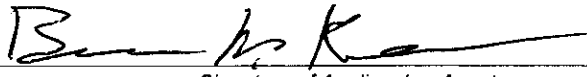
My commission expires April 11, 1974

Notary Public

**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: LASSO ENERGY LLC		License Number: 34320
Operator Address: P.O. BOX 465		1125 SOUTH MAIN CHASE KS 67524
Contact Person: BRUCE D. KELSO		Phone Number: 918-633-9655
Lease Name & Well No.: PETROS 1		Pit Location (QQQQ): NE NE NE NE
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) 15185204650000 (12/17/1073)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: N/A Pit capacity: 500 (bbls)
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: 30,000 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? MUDDED OFF WITH A MUD CAKE		
Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NO LINER WILL BE USED		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NO LINER WILL BE USED
Distance to nearest water well within one-mile of pit: 1683 feet Depth of water well 82 feet		Depth to shallowest fresh water 31 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: 0 Barrels of fluid produced daily: 0 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 AND NEW DRILLING MUD Number of working pits to be utilized: 3 Abandonment procedure: ALLOW PITS TO FULLY DRY, BACK FILL AND FILL, REPLACE TOP SOIL ON TOP, LEVEL OFF LAND 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: 11/18/2010 Date		Signature of Applicant or Agent:  RECEIVED NOV 24 2010 KCC WICHITA

KCC OFFICE USE ONLY			
Date Received: 11-24-10		Permit Number: _____	
Permit Date: 3-7-11		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Liner		<input checked="" type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS	

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



phone: 316-337-6200
fax: 316-337-6211
<http://kcc.ks.gov/>

Thomas E. Wright, Chairman
Ward Loyd, Commissioner

Corporation Commission

Sam Brownback, Governor

March 7, 2011

Lasso Energy, LLC
PO Box 465
1125 S. Main
Chase, KS 67524

Re: Drilling Pit Application
Petros Lease Well No. 1
NE/4 Sec. 03-24S-14W
Stafford 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: File