

For KCC Use: 5-8-2011
 Effective Date: 3
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

*** DATES**
CORRECTED

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: May / June 2011
 month day year
 OPERATOR: License # 30661
 Name: Jay Leedy L & B Crude, Inc.
 Address 1: 402 W. 7th
 Address 2:
 City: Necoho Falls State: KS Zip: 66768
 Contact Person: Jay Leedy - Mark Leedy
 Phone: 620-963-7303 620-490-0034

CONTRACTOR: License Must be licensed by KCC
 Name: Unknown Advise on ACO-1

Well Drilled For: Oil Gas
 Erh Rec Storage Disposal
 Seismic: # of Holes Other:
 Other:
 Well Class: Infield Pool Ext. Wildcat Other
 Type Equipment: Mud Rotary Air Rotary Cable

If OWMO: 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: North of river
SE - NE - NE - NE Sec. 25 Twp. 23 S. R. 16 E W
 (0000) 4,890 feet from N / S Line of Section
75 feet from E / W Line of Section

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

County: Woodson
 Lease Name: Ertz Well #: 23

Field Name: Leedy/Necoho-Falls, Necoho Falls, Leedy
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Squirrel
 Nearest Lease or unit boundary line (in footage): Gen Energy 165' min

Ground Surface Elevation: Est 970 feet MBL

Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 20ft
 Depth to bottom of usable water: 26ft 150

Surface Pipe by Alternate:

Length of Surface Pipe Planned to be set: 40ft

Length of Conductor Pipe (if any): 900ft

Projected Total Depth: 940ft

Formation at Total Depth: Squirrel

Water Source for Drilling Operations: Well Farm Pond Other: crsek

DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: Squirrel

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 APR 22 2011

KCC WICHITA

Lease map attached.

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: 4-20-11 Signature of Operator or Agent: Jay E. Leedy Title: President

For KCC Use ONLY
 API # 15 - 207-27849-0000
 Conductor pipe required None feet
 Minimum surface pipe required 40 feet per ALT.
 Approved by: RWS 5-03-2011 TLWS 5-4-2011
 This authorization expires: 5-03-2012
 (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:

25
 25
 18
 E W

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

* WAS: Approved 5-23-2011; Expires 5-23-2012
 IS: Approved 5-3-2011; Expires 5-3-2012