

For KCC Use: 7-6-2011
 Effective Date: 7-6-2011
 District #: 2
 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: 04/27/11
 month day year

OPERATOR: License# 34524
 Name: Kremeier Exploration LLC
 Address 1: 3183 US HWY 56
 Address 2: _____
 City: Herington State: KS Zip: 67449 + _____
 Contact Person: Chris Kremeier
 Phone: 785-366-6957

CONTRACTOR: License# 32548
 Name: Kan-Drill

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

If OWVO: 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: _____
 _____ SE - 1/4 Sec. 12 Twp. 19 S. R. 2 E W
 (or/and) 785 feet from N / S Line of Section
860 feet from E / W Line of Section
 Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Marion
 Lease Name: Rempel C SWD Well #: 2
 Field Name: Hillsboro

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): arbuckle
 Nearest Lease or unit boundary line (in footage): 785 FSL

Ground Surface Elevation: 1362 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: 60 ft
 Depth to bottom of usable water: 180 ft
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 200 ft
 Length of Conductor Pipe (if any): 100 ft
 Projected Total Depth: 3200 ft
 Formation at Total Depth: arbuckle

Water Source for Drilling Operations:
 Well Farm Pond Other: city water
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)

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

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** to a minimum depth of 20 feet into the underlying formation.
- _____, hereby certify that the statements made herein are true and correct. If an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**; _____, shall be completed before well is either plugged or production casing is cemented in;
 _____, shall be completed from below any usable water to surface within **120 DAYS** of spud date.
 Or pursuant to Appendix "R" - Eastern Kansas surface casing order #133.891 C, which applies to the KCC District 9 area, alternate #1 from #1, must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIF Y must be filed with the KCC.

Date: 3/30/11 Signature of Operator or Agent: Joe E. Kremeier Title: Owner

For KCC Use ONLY
 API # 15 - 115-21423-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per ALT. I II
 Approved by: JUM 7-1-2011
 This authorization expires: 7-1-2012
 (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: _____

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

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 KCC WICHITA

12
 19
 2

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API # 15 - 115-21423-0000

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: Kremeier Exploration LLC

Lease: Rempel C SWD

Well Number: 2

Field: Hillsboro

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - SE - 1/4

Location of Well: County: Marion

785 feet from N / S Line of Section

860 feet from E / W Line of Section

Sec. 12 Twp. 19 S. R. 2 E W

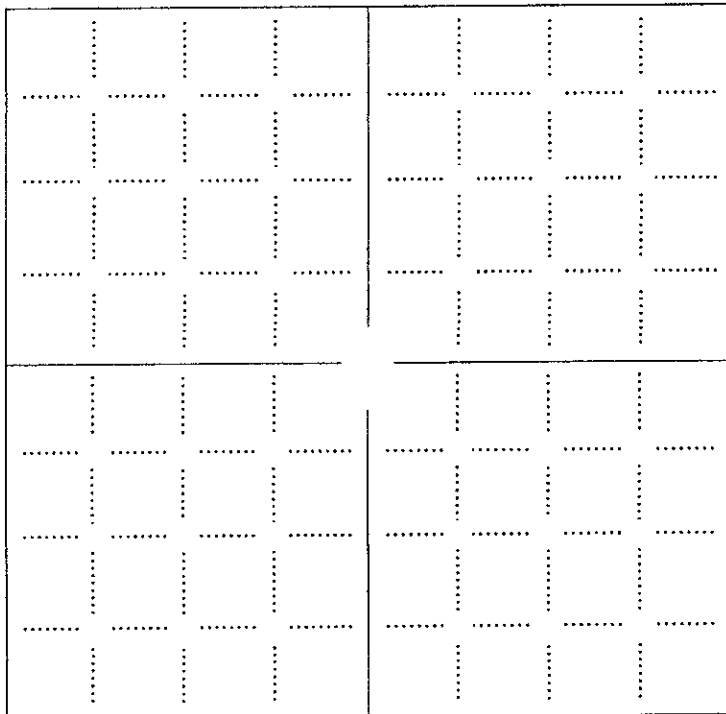
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

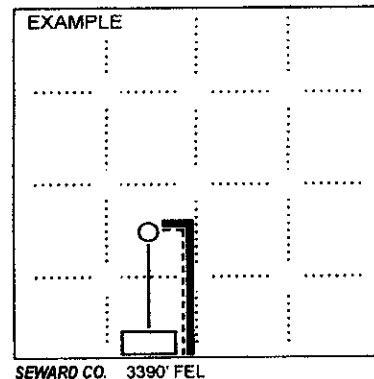
PLAT

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:

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 well boundary.
4. If proposed location is located within a prorated or spaced field a certificate of acreage shall accompany plat (see CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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KREMEIER EXPLORATION, LLC
 REMPEL LEASE
 SE. 1/4, SECTION 12, T19S, R2E
 MARION COUNTY, KANSAS

15-115-21423-0000

DIRT ROAD

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available in Sec. 12.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 12.
6. Contact landowner for best access.

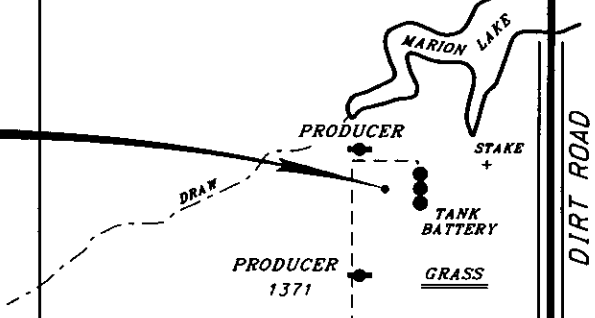
ROAD

PAVED

12

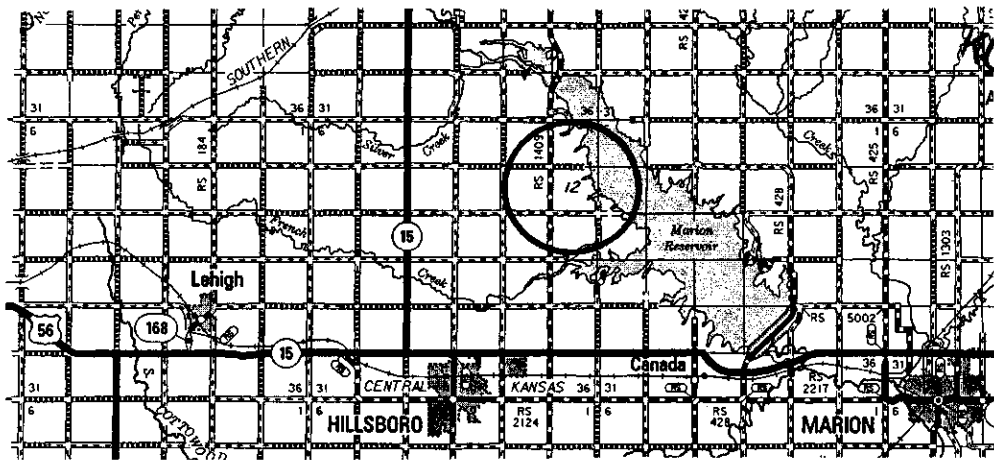
SCALE 1" = 1000'

Drillsite Location
 Rempel "C" #2 SWD
 785' FSL 860' FEL
 Ground Elevation = 1362



GRAVEL ROAD

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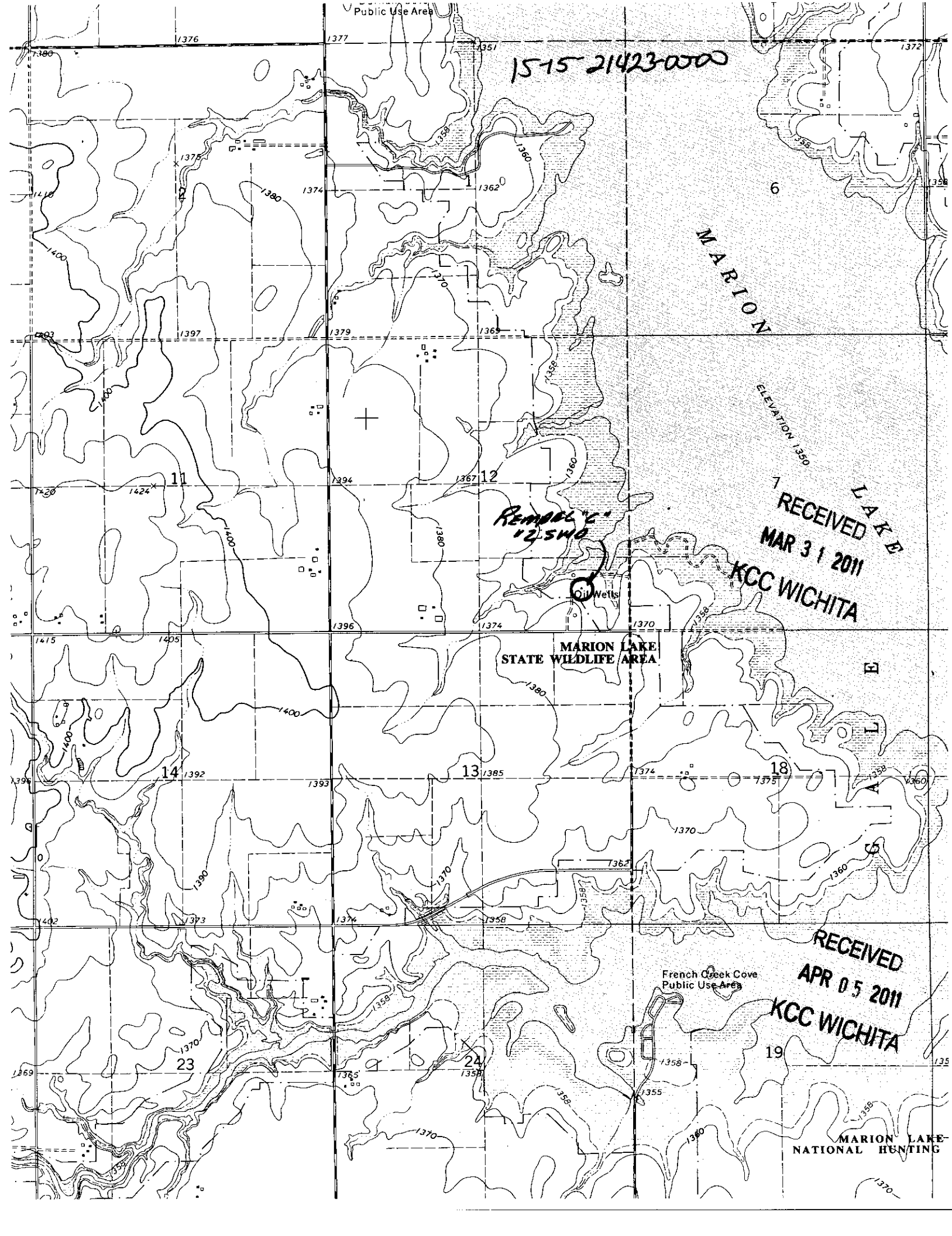


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*Ingress and egress to location as shown on this plot is for usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.

* 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 standards 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 securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
 * Elevations derived from National Geodetic Vertical Datum.

Date March 9, 2011



Public Use Area

1515 21423-0000

MARION LAKE
ELEVATION 1350
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REMOVED
12.540

Oil Wells

MARION LAKE
STATE WILDLIFE AREA

French Creek Cove
Public Use Area

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MARION LAKE
NATIONAL HUNTING

15-115-21423-0000

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2010

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**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 # 34524
Name: Kremeier Exploration LLC
Address 1: 3183 US HWY 56
Address 2: _____
City: Herington State: KS Zip: 67449
Contact Person: Chris Kremeier
Phone: (785) 366-6957 Fax: (785) 258-2733
Email Address: kremeierproduction@sbcglobal.net

Well Location:
_____ SE 1/4 Sec. 12 Twp. 19 S. R. 2 East West
County: Marion
Lease Name: Rempel C SWD 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: Moffitt, Frank
Address 1: 1252 230th
Address 2: _____
City: Hillsboro State: KS Zip: 67003

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.

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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.

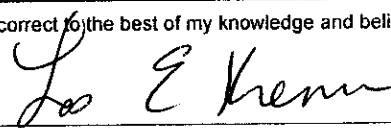
Date: 3/30/11 Signature of Operator or Agent: [Signature] Title: Owner

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**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: Kremeier Exploration LLC		License Number: 34524	
Operator Address: 3183 US HWY 56		Herington KS 67449	
Contact Person: Chris Kremeier		Phone Number: 785-366-6957	
Lease Name & Well No.: Rempel C SWD 2		Pit Location (QQQQ): NE 1/4 - NW SE - SE	
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: 300 _____ (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 <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? native mud			
Pit dimensions (all but working pits): <u>40</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>5</u> (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 3 mil		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. let dry and cover	
Distance to nearest water well within one-mile of pit: <u>3500</u> feet Depth of water well <u>60</u> feet		Depth to shallowest fresh water _____ feet Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
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>Drlg mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: _____ <small>Drill pits must be closed within 365 days of spud date</small>	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.			
<u>3/30/11</u> Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: <u>4-5-11</u> Permit Number: _____ Permit Date: <u>7-1-11</u> Lease inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

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

July 1, 2011

Kremeier Exploration, LLC
3183 US Hwy 56
Herington, KS 67449

Re: Drilling Pit Application
Rempel C SWD Lease Well No. 2
SE/4 Sec. 12-19S-02E
Marion County, Kansas

Dear Sir or Madam:

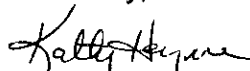
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **all pits must be lined with bentonite**. The free fluids must be removed. The fluids are to be removed from the reserve pit within 7 days after drilling operations have ceased.

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 (316) 630-4000 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



**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.