

For KCC Use: 7-18-2011  
 Effective Date: 3  
 District #: 3  
 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: 07 14 2011  
month day year

OPERATOR: License# 31486  
 Name: Jack Horton  
 Address 1: po 97  
 Address 2: \_\_\_\_\_  
 City: sedan State: Ks Zip: 67361 + \_\_\_\_\_  
 Contact Person: jack Horton  
 Phone: 620 249 4476  
 CONTRACTOR: License# 31486  
 Name: jack Horton

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: SE - SE - NW Sec. 1 Twp. 34 S. R. 14  E  W  
(N/20/20) 2,620 feet from  N /  S Line of Section  
2,805 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Montgomery

Lease Name: Kurtis Well #: 3

Field Name: Wayside havana

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): wayside

Nearest Lease or unit boundary line (in footage): 165

Ground Surface Elevation: 882 est 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: 100

Depth to bottom of usable water: 175

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 20 ft

Length of Conductor Pipe (if any): none

Projected Total Depth: 735

Formation at Total Depth: lime

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: wayside

*Oil & gas lease 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: 7/8/11 Signature of Operator or Agent: Jack Horton Title: operator

For KCC Use ONLY  
 API # 15 - 125-32107-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 20 feet per ALT.  I  II  
 Approved by: [Signature] 7-13-2011  
 This authorization expires: 7-13-2012  
(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

1  
34  
14  
 E  
 W

For KCC Use ONLY

API # 15 - 125-32107-00-00

**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: Jack Horton  
 Lease: Kurtis  
 Well Number: 3  
 Field: Wayside havana

Number of Acres attributable to well: 10  
 QTR/QTR/QTR/QTR of acreage: SE - SE - NW

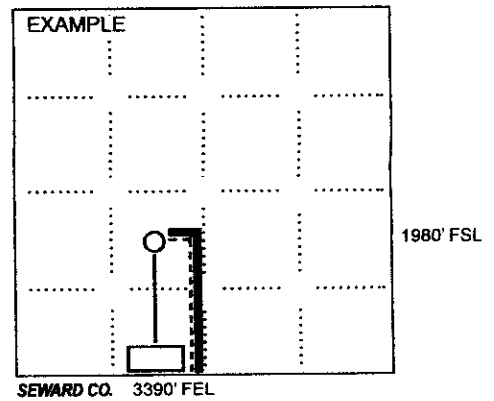
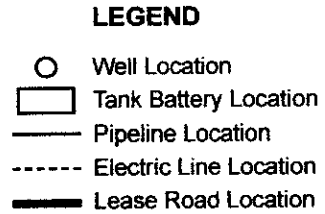
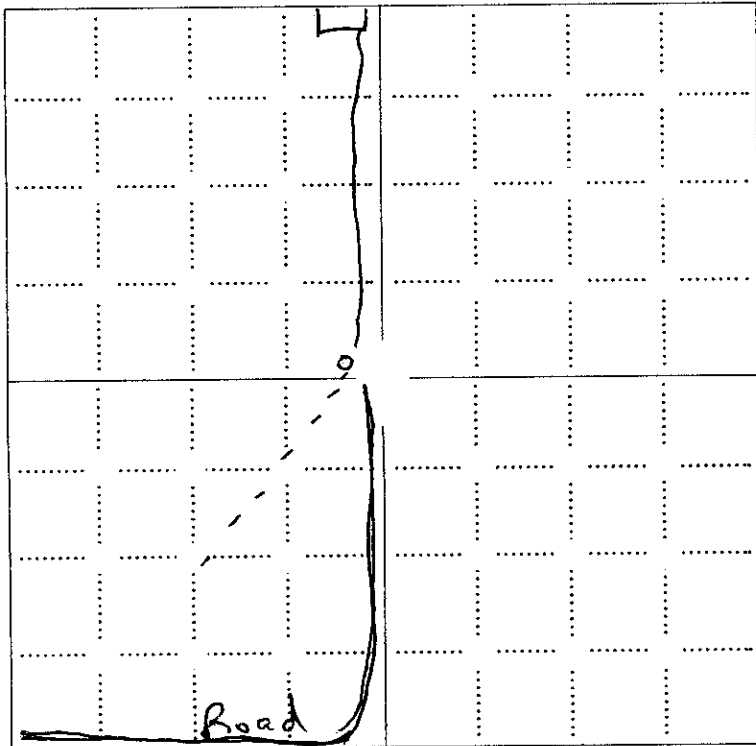
Location of Well: County: Montgomery  
2,620 feet from  N /  S Line of Section  
2,805 feet from  E /  W Line of Section  
 Sec. 1 Twp. 34 S. R. 14  E  W

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.



**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 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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### 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 # 31486  
Name: Jack Horton  
Address 1: po 97  
Address 2: \_\_\_\_\_  
City: sedan State: Ks Zip: 67361 + \_\_\_\_\_  
Contact Person: Jack horton  
Phone: ( 620 ) 249 4476 Fax: ( 620 ) 289 4045  
Email Address: jhorton55@yahoo.com

Well Location:  
SESE-NW Sec. 1 Twp. 34 S. R. 14  East  West  
County: Montgomery  
Lease Name: Kurtis Well #: 3

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

**Surface Owner Information:**

Name: Red Buffalo ranch  
Address 1: po 45  
Address 2: \_\_\_\_\_  
City: sedan State: ks Zip: 67361 + \_\_\_\_\_

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: 7/8/11 Signature of Operator or Agent: [Signature] Title: Operator

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**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION**

Form CDP-1  
May 2010  
Form must be Typed

**APPLICATION FOR SURFACE PIT**

*Submit in Duplicate*

Operator Name: <b>Jack Horton</b>		License Number: <b>31486</b>
Operator Address: <b>po 97</b>		<b>sedan Ks 67361</b>
Contact Person: <b>jack Horton</b>		Phone Number: <b>620 249 4476</b>
Lease Name & Well No.: <b>Kurtis 3</b>		Pit Location (QQQQ): <b>- SE - SE - NW</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>300</b> (bbls)	Sec. <b>1</b> Twp. <b>34</b> R. <b>14</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>2,620</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>2,805</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Montgomery</b> County
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>clay sides bottom</b>
Pit dimensions (all but working pits): <b>40</b> Length (feet) <b>10</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>5</b> (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: <b>3100</b> feet    Depth of water well <b>60</b> feet		Depth to shallowest fresh water <b>50</b> 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: <b>fresh water</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>air dry back fill</b> 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>7/8/11</u> Date	 Signature of Applicant or Agent	<b>RECEIVED JUL 11 2011 KCC WICHITA</b>

15-125-32107-0500

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>7-11-11</b>	Permit Number: _____	Permit Date: <b>7-12-11</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS			

15-125-32107-0000



STATE OF KANSAS MONTGOMERY COUNTY  
 FILED FOR RECORD  
 MARILYN CALHOUN, REGISTER OF DEEDS  
 9:28:33 AM, 10/30/2007 Receipt No.: 28549

LEASE	\$6.00
ADDITIONAL PAGES	\$10.00
TECHNOLOGY FUND	\$12.00

OIL AND GAS LEASE

BOOK: 571 PAGE: 4

AGREEMENT made and entered into effective the 29<sup>th</sup> day of October, 2007, by and between:

RED BUFFALO RANCH, LLC, hereinafter referred to as Party of the First Part and/or Lessor (whether one or more), and

KURTIS ENERGY, LLC, hereinafter referred to as Party of the Second Party and/or Lessee (whether one or more).

WITNESSETH: That the said Lessor, for and in consideration of One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor, and of the covenants and agreements hereinafter contained on the part of the Lessee to be paid, kept and performed, Lessor has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said Lessee, for the sole and only purpose of mining, exploring, developing and operating for oil and gas, hydrocarbons, all gases and their respective constituent products, injecting gas, water, other fluids and air into subsurface strata, and laying pipelines and building tanks, roadways, power stations, storing oil and other necessary structures and things thereon, to produce, save, treat, process, store, transport, market and take care of said products, the following described real estate together with any reversionary rights and after-acquired interests therein, situated in MONTGOMERY COUNTY, KANSAS, and described as follows, to-wit:

THE NORTHWEST QUARTER (NW/4) AND THE NORTH HALF OF THE SOUTHWEST QUARTER (N/2 SW/4) OF SECTION 1, TOWNSHIP 34 SOUTH, RANGE 14, EAST OF THE 6<sup>TH</sup> P.M.

and containing 240 acres, more or less.

It is agreed that this lease shall remain in full force for a Primary Term of 3 years, and as long thereafter as oil or gas, or either of them, is produced from said land by the Lessee.

-Larry King, Atty.  
118 W. Main  
Sedan, KS. 67361

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