



For KCC Use:
 Effective Date: 02/13/2011
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1050455
 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: 2/8/2011
month day year

OPERATOR: License# 6168
 Name: Scheuneman, Lester
 Address 1: 27800 PLEASANT VALLEY RD
 Address 2: _____
 City: WELLSVILLE State: KS Zip: 66092 + 8443
 Contact Person: Lester Scheuneman
 Phone: 785-883-4621

CONTRACTOR: License# 33715
 Name: Town Oilfield Service

| | | |
|---|-----------------------------------|--|
| Well Drilled For: | Well Class: | Type Equipment: |
| <input checked="" type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Infield |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Mud Rotary |
| | <input type="checkbox"/> Disposal | <input checked="" type="checkbox"/> Air Rotary |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> 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 #: _____

Spot Description: _____
 NW - SE - SW - NW Sec. 23 Twp. 20 S. R. 20 E W
(Q/Q/Q/Q) 3,045 feet from N / S Line of Section
4,425 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Anderson

Lease Name: Banks Well #: 15

Field Name: Garnett-Shoestring

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Squirrel

Nearest Lease or unit boundary line (in footage): 357

Ground Surface Elevation: 932 Estimated Estimated _____ 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: 50

Depth to bottom of usable water: 125

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe (if any): _____

Projected Total Depth: 800

Formation at Total Depth: Squirrel

Water Source for Drilling Operations:

Well Farm Pond Other: Haul

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** 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.

RECEIVED
 APR 28 2011
 KCC WICHITA

Submitted Electronically

For KCC Use ONLY
 API # 15 - 15-003-24988-00-00
 Conductor pipe required 0 feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: Rick Hestermann 02/08/2011
 This authorization expires: 02/08/2012
(This authorization void if drilling not started within 12 months of approval date.)
 Spud date: _____ Agent: _____

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

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: 4-25-11
 Signature of Operator or Agent: R. Driskell

23 20 20
 E W