

**** Corrected ****

CORRECTED

For KCC Use: 8-13-2011
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: August 17, 2011
month day year

Spot Description: * SW NW NE NW
NE - NE - NE - NW Sec. 14 Twp. 14 S. R. 22 E W

OPERATOR: License# 34592
Name: Kansas Resource Exploration & Development, LLC

* 4913 3722 feet from N / S Line of Section
* 3744 2/10 feet from E / W Line of Section

Address 1: 9393 W. 110th St., Suite 500

Address 2: _____

City: Overland Park State: KS Zip: 66210

Contact Person: Brad Kramer

Phone: (913) 669-2253

CONTRACTOR: License# 8509
Name: Evans Energy Development, Inc.

Is SECTION: Regular Irregular?

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

County: Johnson

Lease Name: Knabe D Well #: KR-3

Field Name: Gardner

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Cherokee Group

Nearest Lease or unit boundary line (in footage): 1/4 - * 367

Ground Surface Elevation: 1023 Estimated * 1041 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: 200

Depth to bottom of usable water: 300

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe (if any): _____

Projected Total Depth: 900'

Formation at Total Depth: Bartlesville

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: _____

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"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input checked="" type="checkbox"/> Air Rotary
		<input type="checkbox"/> 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 #: _____

* WAS: NE-NE-SE-NW 3922 FSL; 2310 FEL; NLUB 170 Elev. 1023
IS: SW-NW-NE-NW 4913 FSL; 3744 FEL; NLUB 367 Elev. 1041

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.

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I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 7-25-11 Signature of Operator or Agent: [Signature] Title: Agent **KCC WICHITA**

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API # 15 - 091-23538-00-00

Conductor pipe required None feet

Minimum surface pipe required 20 feet per ALT. I II

Approved by: [Signature] 8-8-2011 / [Signature] 9-9-2011

This authorization expires: 8-8-2012
(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: _____

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SEP 09 2011

KCC WICHITA

14
14
22
 E
 W

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

* CORRECTED *

Side Two

CORRECTED

For KCC Use ONLY

API # 15 - _____

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: Kansas Resource Exploration & Development, LLC

Location of Well: County: Johnson

Lease: Knabe D

* 4913

3022

feet from N / S Line of Section

Well Number: KR-3

* 3744

3810

feet from E / W Line of Section

Field: Gardner

Sec. 14 Twp. 14 S. R. 22 E W

Number of Acres attributable to well: _____

Is Section: Regular or Irregular

QTR/QTR/QTR/QTR of acreage: NE - NE - SE - NW

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

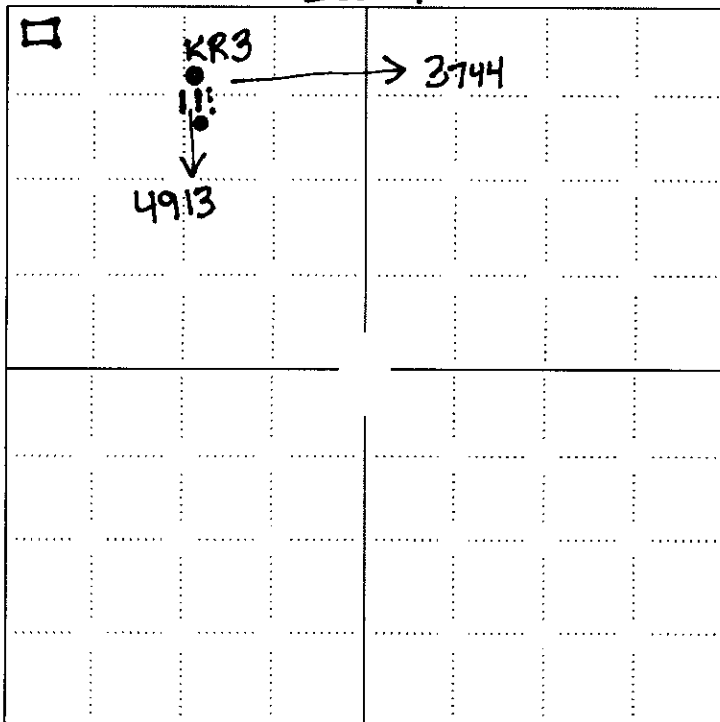
* SW NN NE NW

Section corner used: NE NW SE SW

PLAT

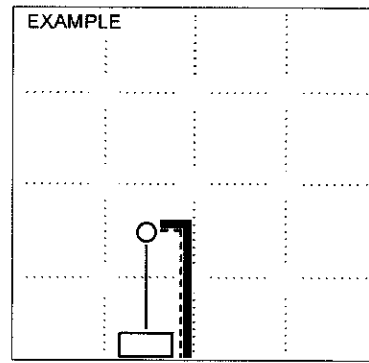
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.

Sec 14



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



1980' FSL

NOTE: In all cases locate the spot of the proposed drilling locaton.

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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15-09123538-0000
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

CORRECTED

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 # 34592
Name: Kansas Resource Exploration & Development, LLC
Address 1: 9393 W. 110th St., Suite 500
Address 2: _____
City: Overland Park State: KS Zip: 66210 + _____
Contact Person: Brad Kramer
Phone: (913) 669-2253 Fax: (913) 451-6750
Email Address: kramerbradley@yahoo.com

* SW NW NE NW

Well Location:
NE NE SE NW Sec. 14 Twp. 14 S. R. 22 East West
County: Johnson
Lease Name: Knabe D Well #: KR-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: Ronald & Susan Rushing
Address 1: 661 N Pine Cir.
Address 2: _____
City: Gardner State: KS Zip: 66030 + _____

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: 7-25-11 Signature of Operator or Agent:  Title: Agent

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OIL & GAS CONSERVATION DIVISION

APPLICATION FOR SURFACE PIT

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Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: Kansas Resource Exploration & Development, LLC		License Number: 34592	
Operator Address: 9393 W. 110th St., Suite 500		Overland Park KS 66210	
Contact Person: Brad Kramer		Phone Number: (913) 669-2253	
Lease Name & Well No.: Knabe D KR-3		Pit Location (QQQQ): * SW NW NE NW NE - NE - SE - NW	
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: *4913 *3744 Pit capacity: 120 (bbls)	Sec. 14 Twp. 14 R. 22 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 3,822 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2,810 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Johnson 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? Native Clay	
Pit dimensions (all but working pits): 15 Length (feet) 10 Width (feet)		<input type="checkbox"/> N/A: Steel Pits	
Depth from ground level to deepest point: 5 (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: N/A feet Depth of water well _____ 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 checked="" 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: Drilling Mud Number of working pits to be utilized: 2 Abandonment procedure: Air dry and backfill 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 7-25-11		RECEIVED AUG 03 2011 KCC WICHITA _____ Signature of Applicant or Agent	

15-091-23538-0000

KCC OFFICE USE ONLY			
Date Received: 8-3-11	Permit Number: _____	Permit Date: 8-3-11	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

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202