

For KCC Use: 1-23-2012
 Effective Date: _____
 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: 2/2/2012
 month day year

OPERATOR: License# 6139 ✓
 Name: dba Jay C. Boyer Oil
 Address 1: P.O. Box 511
 Address 2: _____
 City: Hays State: KS Zip: 67601 + _____
 Contact Person: Bill Schoenhofer
 Phone: 620-257-3294

CONTRACTOR: License# 5822 ✓
 Name: VAL Energy, INC.

| | | |
|---|---|--|
| Well Drilled For: | Well Class: | Type Equipment: |
| <input checked="" type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Mud Rotary |
| <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Air Rotary |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Disposal | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Other: _____ | <input checked="" type="checkbox"/> Infield | |
| | <input type="checkbox"/> Pool Ext. | |
| | <input checked="" type="checkbox"/> Wildcat | |
| | <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: _____
 SW - SW - NW - _____ Sec. 36 Twp. 26 S. R. 8 E W
 (a/a/a/a) 2,310 feet from N / S Line of Section
390 feet from E / W Line of Section

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

County: Reno
 Lease Name: Lubbers Well #: 4
 Field Name: Smoots Creek

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippi

Nearest Lease or unit boundary line (in footage): 330
 Ground Surface Elevation: est. 1574 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: 80

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 250

Length of Conductor Pipe (if any): _____
 Projected Total Depth: 3650
 Formation at Total Depth: Mississippi

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: _____

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: 1/12/2012 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY
 API # 15 - 155-21583-0000
 Conductor pipe required None feet
 Minimum surface pipe required 100 feet per ALT. I II
 Approved by: [Signature] 1-10-2012
 This authorization expires: 1-18-2013
 (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

RECEIVED
 JAN 17 2012
 KCC WICHITA

36
 26
 8
 E
 W

For KCC Use ONLY

API # 15 - 15521583-0000

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JAN 17 2012
KCC WICHITA

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: dba Jay C. Boyer Oil
 Lease: Lubbers
 Well Number: 4
 Field: Smoots Creek

Location of Well: County: Reno
2,310 feet from N / S Line of Section
390 feet from E / W Line of Section
 Sec. 36 Twp. 26 S. R. 8 E W

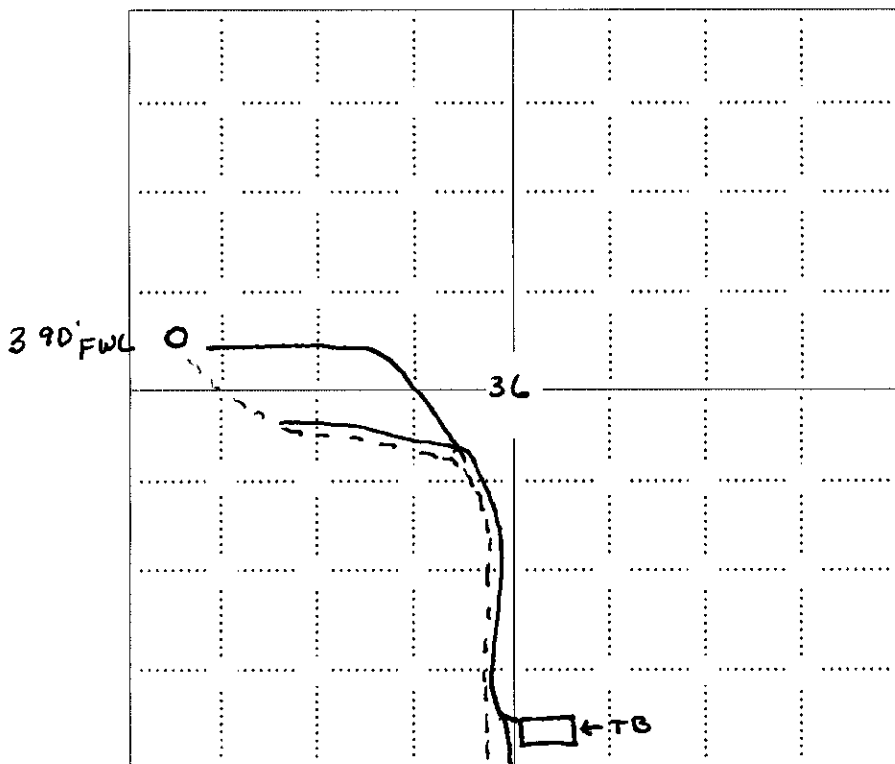
Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: SW - SW - NW - _____

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

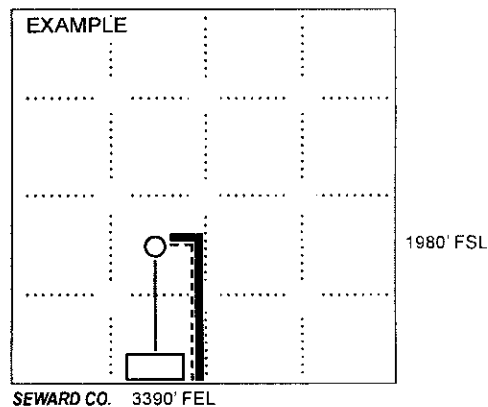
PLAT

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 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: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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**

15155-21583-0000

RECEIVED
JAN 17 2012
KCC WICHITA

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 # 6139
Name: dba Jay C. Boyer Oil
Address 1: P.O. Box 511
Address 2: _____
City: Hays State: KS Zip: 67601 + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
SW SW NW Sec. 36 Twp. 26 S. R. 8 East West
County: Reno
Lease Name: Lubbers Well #: 4

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

Surface Owner Information:

Name: Vincent Lubbers
Address 1: 14712 West Maple Grove Rd.
Address 2: _____
City: Kingman State: KS Zip: 67068 + 8136

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: 1/12/2012 Signature of Operator or Agent: [Signature] Title: Agent

316-617-1352

15-155-21583-0000

RECEIVED
JAN 17 2012
KCC WICHITA



Bill 2011

1 Boyer Rd

1014 South Blvd

Spencer, IA 51559

Dear Sir

I am in possession of 1000⁰⁰ dollars
(some of them in dollars) & will provide
you the rest until billing diagram
of 1000⁰⁰ dollars. I will be able
to pay you (50% of 1000⁰⁰) in 10 days
if you allow me to have the rest of
the money. I will be able to pay
you the rest of the money if you
allow me to have the rest of the
money. I will be able to pay you
the rest of the money if you allow
me to have the rest of the money.

Sincerely

James H. Jones


KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

RECEIVED
JAN 17 2012
KCC WICHITA

Submit in Duplicate

| | | |
|--|--|---|
| Operator Name: dba Jay C. Boyer Oil | | License Number: 6139 |
| Operator Address: P.O. Box 511 | | |
| Contact Person: Bill Schoenhofer | | Phone Number: 620-257-3294 |
| Lease Name & Well No.: Lubbers 4 | | Pit Location (QQQQ): SE . SW . SE . SW Sec. 25 Twp. 26 R. 8 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 160 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 3,600 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section RENO County |
| Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> | Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 1/9/2012 Pit capacity: 4,500 (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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 and Clay |
| Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (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: 767 feet Depth of water well 38 feet | | Depth to shallowest fresh water 15 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: Fresh Number of working pits to be utilized: 1 Abandonment procedure: Allowed to let Dry, Then 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. | | |
| 1/17/2012 Date | |  Signature of Applicant or Agent |

15155-21583-0000

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: 1-17-12 Permit Number: _____ Permit Date: 1-18-12 Lease Inspection: Yes No

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

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

January 18, 2012

Jay C. Boyer Oil
PO Box 511
Hays, KS 67601

RE: Drilling Pit Application
Lubbers Lease Well No. 4
NW/4 Sec. 36-26S-08W
Reno County, Kansas

Dear Sir or Madam:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (316) 630-4000. Please file form CDP-5, 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.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

Cc: File

Kansas Corporation Commission Oil & Gas Conservation Division

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.