

For KCC Use: 1-3-2012
 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: December 31 2011
month day year

Spot Description: SE 1/4 of NE 1/4 of NW 1/4
SE NE NW Sec. 14 Twp. 31 S R 10 E W
(N-T-W)
2005 930 feet from N / S Line of Section
575 feet from E / W Line of Section

OPERATOR: License# 8736
 Name: James David Dixon
 Address 1: 1214 Cyclone
 Address 2:
 City: Moline State: KS Zip: 67353
 Contact Person: Jim Dixon
 Phone: 620-647-3317

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)
 County: Elk
 Lease Name: Palmer Well #: 1B
 Field Name: Webb

CONTRACTOR License# 8736
 Name: James David Dixon

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Arbuckle
 Nearest Lease or unit boundary line (in footage): 575

Well Drilled For: Oil Gas
 Enh Rec Storage Disposal
 Seismic: # of Holes Other
 Other:

Well Class: Infield Pool Ext. Wildcat
 Other

Type Equipment: Mud Rotary Air Rotary Cable
 Ground Surface Elevation: 1057 feet MSL
 Water well within one-quarter mile: Yes No

If OWWO: old well information as follows:

Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: 300 ft.
 Depth to bottom of upstate water: 430 ft.
 Surface Pipe by Alternate: No
 Length of Surface Pipe Planned to be set: 40 ft. of 13 3/8
 Length of Conductor Pipe (if any): NA
 Projected Total Depth: 3000 ft.
 Formation at Total Depth: Arbuckle

Operator: NA
 Well Name: NA
 Original Completion Date: NA Original Total Depth: NA

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

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: NA
 Bottom Hole Location: NA
 KCC DKT #: NA

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

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: dec. 26, 2011 Signature of Operator or Agent: James D Dixon Title: owner/operator

For KCC Use ONLY
 API # 15 - 049-22562-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 40 feet per ALT I II
 Approved by: Jim 12-29-2011
 This authorization expires: 12-29-2012
 (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 PI 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

DEC 29 2011

KCC WICHITA

For KCC Use ONLY

API # 15 - 049-22562-0000

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: James David Dixon
 Lease: Palmer
 Well Number: IB
 Field: Webb
 Number of Acres attributable to well: NA
 QTR/QTR/QTR/QTR of acreage: SE NE NW

Location of Well: County: Elk
 feet from N / S Line of Section
2065 930 / 575 W / E Line of Section
 Sec. I4 Twp. 31 S. R. 10 E W

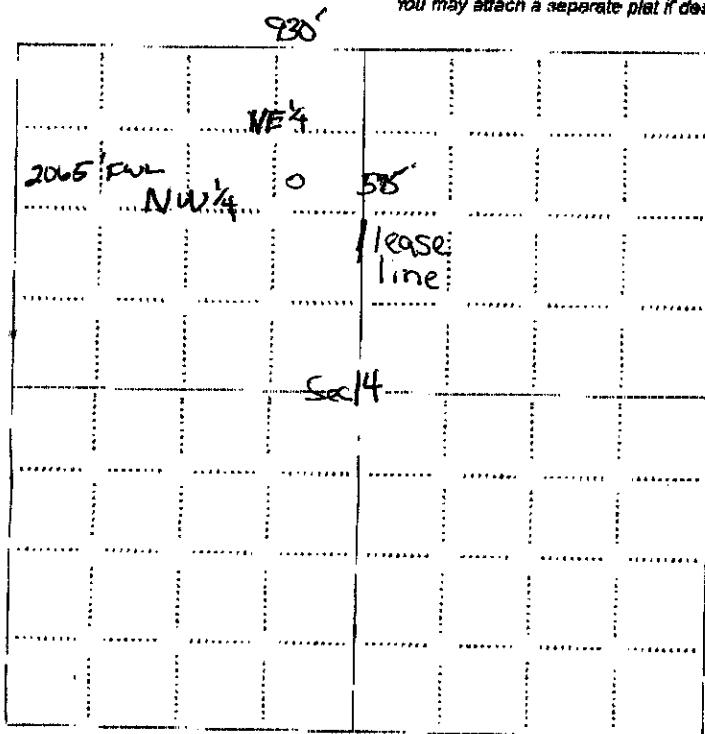
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

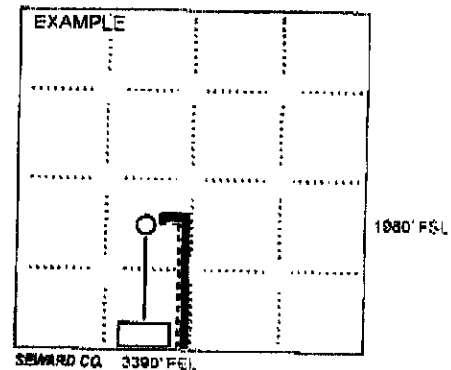
PLAT

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 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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 KCC WICHITA

15049-22562-0000

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 Plat 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 # '8736
Name: James David Dixon
Address 1: 1214 cyclone
Address 2: _____
City: Moline State: KS Zip: 67353
Contact Person: Jim Dixon
Phone: (620) 647-3317 Fax: (____) same
Email Address: NA

Well Location:
SE NE NW Sec. 14 Twp. 31 S. R. 10 East West
County: Elk
Lease Name: Palmer Well #: 1B

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

Surface Owner Information:

Name: Mrs. Ruth Palmer
Address 1: 7 Aspen ct.
Address 2: _____
City: Wichita State: KS Zip: 67206

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: Dec. 26, 2011 Signature of Operator or Agent: James D Dixon Title: owner/operator

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

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DEC 29 2011
KCC WICHITA

For KCC Use ONLY
API # 13 - 049-22562-000

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: James David Dixon
Lease: Palmer
Well Number: 15
Field: Webb
Number of Acres attributable to well: NA
QTR/OTR/OTR/QTR of acreage: SE NE NW

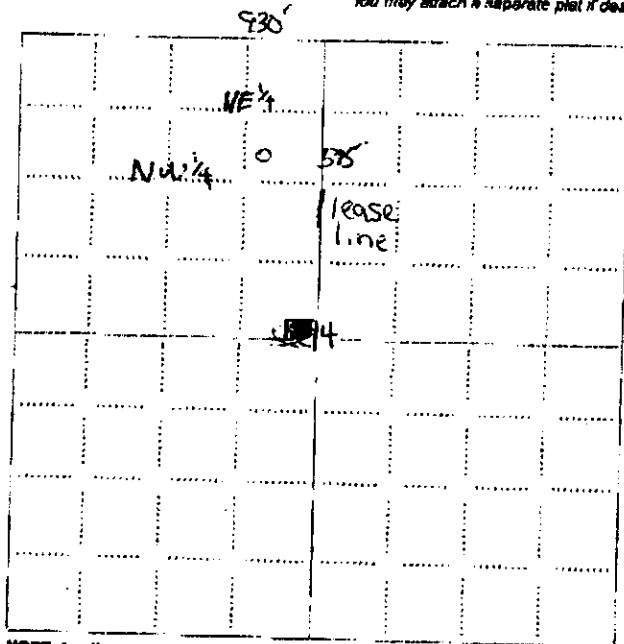
Location of Well: County: Elk
feet from N S Line of Section
2065 525 feet from E W Line of Section
Sec. I4 Twp. 31 S. R. 10 E W

Is Section: Regular or Irregular

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

PLAT

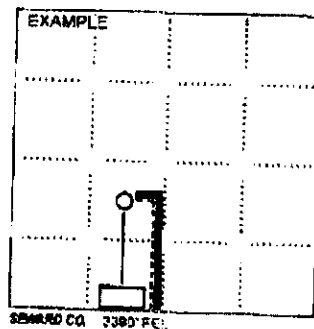
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



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

LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road 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; CO-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

RECEIVED
DEC 29 2011
KCC WICHITA

**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: <u>James David Dixon</u>		License Number: <u>8736</u>
Operator Address: <u>1214 Cyclone Moline, KS 67353</u>		
Contact Person: <u>Jim Dixon</u>		Phone Number: <u>620-647-3317</u>
Lease Name & Well No.: <u>Palmer 1B</u>		Pit Location (QQQQ): <u>SE1/4 NE1/4 NW1/4</u> Sec. <u>14</u> Twp. <u>31</u> R. <u>10</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>930</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>2015</u> <u>575</u> Feet from <input checked="" type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Elk</u> County
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 WOP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>500</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>NA</u> 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? <u>Natural Clay Liner</u>
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>30</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <u>NA</u>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <u>NA</u>
Distance to nearest water well within one-mile of pit: <u>NA</u> <u>4500</u> feet Depth of water well: _____ feet		Depth to shallowest fresh water: <u>300</u> <u>8</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: <u>NA</u> 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>rotary mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Air dried and backfilled</u> 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>Dec. 26, 2011</u> Date		 Signature of Applicant or Agent
RECEIVED DEC 29 2011 KCC WICHITA		
KCC OFFICE USE ONLY		
Date Received: <u>12-29-11</u> Permit Number: _____ Permit Date: <u>12-29-11</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS		

15-019-22562-0000

December 29, 2011

James David Dixon
1214 Cyclone
Moline, KS 67353

RE: Drilling Pit Application
Palmer Lease Well No. 1B
NW/4 Sec. 14-31S-10E
Elk 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 the free fluids must be removed. The fluids are to be removed from the reserve pit immediately after drilling operations have ceased.

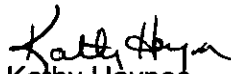
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 432-2300 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