

For KCC Use: 5-27-2012
 Effective Date: _____
 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: May 25 2012
month day year

OPERATOR: License# 9267 ✓
 Name: JRC Oil Company, Inc.
 Address 1: P. O. Box 426
 Address 2: 24110 NE Vermont Road
 City: Garnett State: Kansas Zip: 66032 + 0426
 Contact Person: Mike Colvin
 Phone: 785-448-8112

CONTRACTOR: License# 32079 ✓
 Name: John E. Leis

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Enh Rec Storage Disposal 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: _____
 NE - SW - SE - SE Sec. 32 Twp. 20 S. R. 21 E W
(00/00/0) 495 feet from N / S Line of Section
933 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: Bandy Well #: BM-20
 Field Name: Bush City Shoestring

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

Nearest Lease or unit boundary line (in footage): 495'
 Ground Surface Elevation: 993 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): None
 Projected Total Depth: 800'

Formation at Total Depth: Cherokee

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: May 1, 2012 Signature of Operator or Agent: Michael J. Colvin Title: Vice President

RECEIVED
 MAY 22 2012

KCC WICHITA

For KCC Use ONLY
 API # 15 - 003-25496-00-00
 Conductor pipe required _____ None _____ feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: Just 5-22-2012
 This authorization expires: 5-22-2013
(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: _____

32
20
21
 E
 W

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

For KCC Use ONLY

API # 15 - 003-254960000

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: JRC Oil Company, Inc.
 Lease: Bandy
 Well Number: BM-20
 Field: Bush City Shoestring
 Number of Acres attributable to well: 2.5
 QTR/QTR/QTR/QTR of acreage: NE - SW - SE - SE

Location of Well: County: Anderson
495 feet from N / S Line of Section
933 feet from E / W Line of Section
 Sec. 32 Twp. 20 S. R. 21 E W

Is Section: Regular or Irregular

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

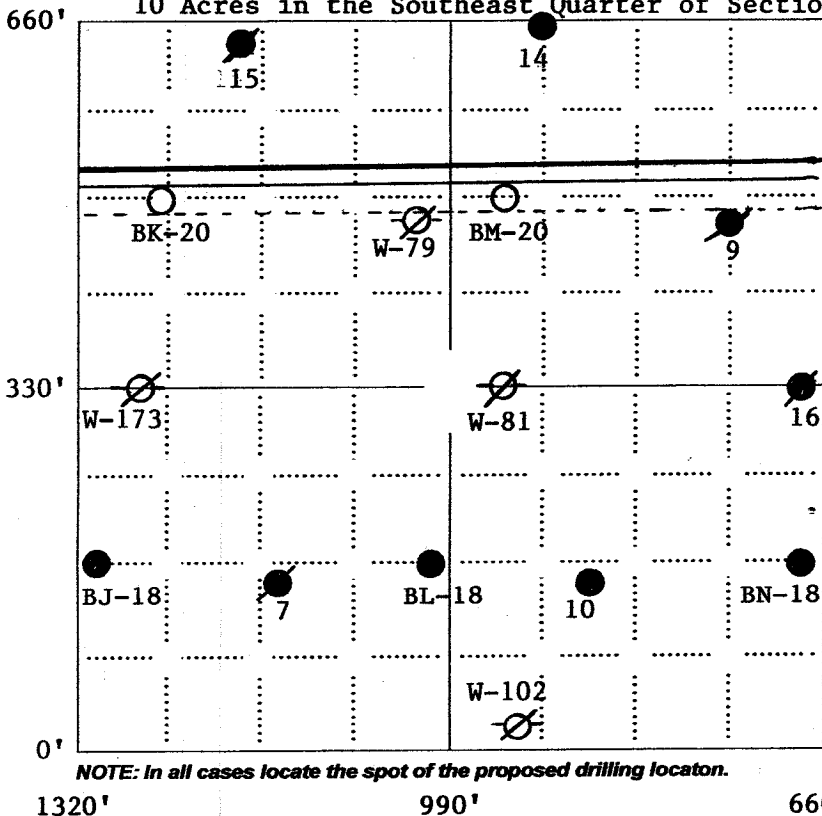
Section corner used: NE NW SE SW

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.

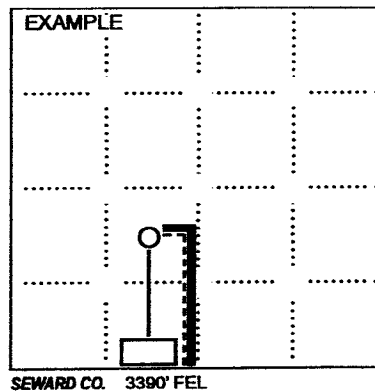
10 Acres in the Southeast Quarter of Section 32-T20S-R21E



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
APPLICATION FOR SURFACE PIT**

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: JRC Oil Company, Inc.		License Number: 9267
Operator Address: P. O. Box 426		24110 NE Vermont Road Garnett Kansas 66032-0426
Contact Person: Mike Colvin		Phone Number: 785-448-8112
Lease Name & Well No.: Bandy BM-20		Pit Location (QQQQ): NE - SW - SE - SE Sec. 32 Twp. 20 R. 21 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 495 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 933 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Anderson 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 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: 143 (bbls)	
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? Surface clay
Pit dimensions (all but working pits): 20 Length (feet) 10 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. None
Distance to nearest water well within one-mile of pit: None feet Depth of water well _____ feet		Depth to shallowest fresh water 50 feet. Source of information: <input checked="" type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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 H2O Number of working pits to be utilized: 2 Abandonment procedure: Backfill with backhoe. 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.		
_____ May 1, 2012 Date	<i>Michael J. Colvin</i> Signature of Applicant or Agent	RECEIVED MAY 22 2012 KCC WICHITA
KCC OFFICE USE ONLY		
Date Received: 5-22-12	Permit Number: _____	Permit Date: 5-22-12 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-003-25496-05790