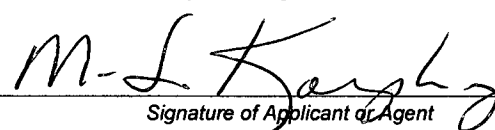


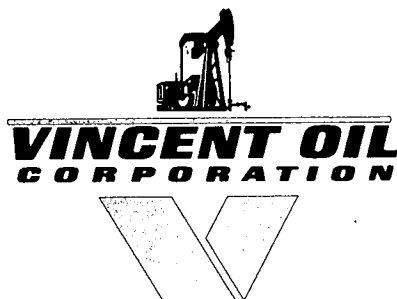
**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>Vincent Oil Corporation</b>		License Number: <b>5004</b>
Operator Address: <b>155 N. Market, Suite 700, Wichita, Kansas</b>		
Contact Person: <b>M.L. Korphage</b>		Phone Number: <b>262-3573</b>
Lease Name & Well No.: <b>Ellis Land Co. 1-21</b>		Originally Authorized under Pit Location (QQQQ): API # <b>15-057-20714-00-00</b> <b>SE - SE - NW - NE</b>
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: <u>1/26/2011</u> Pit capacity: <b>5,000</b> (bbls)	Sec. <b>34</b> Twp. <b>28</b> R. <b>23</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1,243</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>1,414</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Ford</b> 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? <b>Lined with native and freshwater / gel drilling mud</b>
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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: <u>2396</u> feet    Depth of water well <u>160</u> feet		Depth to shallowest fresh water <u>138</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>Freshwater / Gel drilling fluids</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Allow pit to dry by evaporation, bacfill and level to original grade</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>10/17/2011</u> Date	 Signature of Applicant or Agent	
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>10-19-11</u> Permit Number: <u>15-057-20732<sup>0000</sup></u> Permit Date: <u>10-19-11</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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**OCT 19 2011**  
**KCC WICHITA**



Suite 700 • 155 North Market • Wichita, Kansas 67202-1821  
(316) 262-3573

10/18/2011

Kansas Corporation Commission  
Conservation Division  
130 S. Market, Room 2078  
Wichita, Kansas 67202

Attn: Ms. Jonelle Rains, Supervisor  
Environmental Production and Remediation Section

Ref: Retroactive Application for Haul-Off Pit  
Ellis Land Co. #1-21  
SW 21-29-22W  
API # 15-057-20732-00-00  
Ford Co., Kansas

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Dear Ms. Rains:

Per our recent telephone conversations attached is our application for a haul off pit for the above referenced well which is the source of material transferred to the applicant haul off pit. As I explained in our earlier telephone conversations Vincent Oil Corporation applied for and was issued a drilling permit for the Ellis Land Co. #1-21 well. The drilling permit and associated pit permit was issued by the KCC on 6/10/2011 under API # 15-057-20732-00-00.

The well was spud on 7/1/2011 and drilling proceeded with no unusual problems. The actual reserve pit which was constructed under the permit was not constructed as large as was anticipated by the pit application because of surface space considerations. As a result when, on or about July 6, 2011, we reached a depth to displace our mud system the reserve pit was nearly full. At that time we recognized that we had a nearby pit that had been constructed under a different pit permit that had ample space to receive material from the Ellis Land Co. #1-21 reserve pit and that pit was located on a producing lease operated by Vincent Oil Corporation. That pit was on our Keough lease in 34 -28-23W which had a pit authorized and constructed under API # 15-057-20714-00-00. We contacted the landowner of that lease and after contacting her tenant for additional approval we made a transfer of drilling mud to that pit.

Ellis Land Co. #1-21  
Haul -Off Pit  
October 18, 2011

I have attached copies of the pit permits for the Ellis #1-21 reserve pit, which is the source of the drilling mud transferred to the Keough #1-34 pit and the pit permit for the Keough #1-34 pit which would be the haul-off pit. I have also attached a letter sent by myself to Ms. R.F. Keough, the landowner, seeking her written permission to transfer drilling mud to the surface pit on her land. And finally attached is a signed approval document giving landowner permission to Vincent Oil Corporation to transfer material to the pit on her lands and a copy of our oil and gas lease covering those lands.

Per our discussion we should have applied with the KCC Conservation Division for approval to use the Keough pit as a haul off pit for material from the Ellis #1-21 well at the time the transfer was being made. However, in our effort to secure landowner permission in sufficient time to insure that the Ellis pit did not over flow we neglected to make the necessary filing. We are voluntarily correcting that oversight now with this filing

If you require any additional information please let me know at your earliest convenience.  
Sincerely,



M.L. Korphage P.G.  
Geologist  
Vincent Oil Corporation

XC: File

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KCC WICHITA



TRANSFER Mud.  
From: Ellis Land Co. #1-  
To: Keough #1-34 pit

Ellis Land Co -file.

Suite 700 • 155 North Market • Wichita, Kansas 67202-1821  
(316) 262-3573

July 8, 2011

Ms. R.F. Keough  
206 W. La Mesa Drive  
Dodge City, Kansas 67801-2838

Ref: Transfers to Surface Pit  
Landowner Approval

Dear Ms. Keough:

As you will remember on this last Wednesday, July 6, 2011, I contacted you seeking your approval as the landowner of Section 34 - T28S-R23W to transfer excess drilling mud from a Vincent Oil Corporation drilling operation located south of Kingsdown, Kansas to the existing surface pit located on your lands. As I explained this type of transfer from one state permitted surface pit to another state permitted surface pit on leases operated by the same company is allowed under KCC regulation if it is approved by the landowner.

When I called, you indicated that it would be acceptable to you for us to make such transfers to the surface pit on your land if your tenant had no problems with the transfer. I did call your tenant Mr. Steve Riegel and he said that he did not object to it either. As a result of those conversations we began to make a limited number of transfers to the surface pit located on your land.

As I explained when I called, the transfer of this excess drilling mud to the surface pit on you land should have no effect on the surface pit as there is more than adequate space in the pit to contain the drilling mud. It may however take some additional time to sufficiently dry the pit before closure can take place. In this area with such high evaporation rates that additional time might be in the order of 30 + days.

To compensate you for that extended use we have enclosed a check in the amount of \$500. I have also enclosed a very brief authorization letter which sets out your approval of our transfers of drilling mud to the surface pit located on your land. Please sign the authorization letter and return it to me in the self addressed and stamped envelope.

If you have any questions or concerns relative to this matter please call me at your convenience. I can be reached at the telephone number listed in the above letterhead.

Sincerely,

  
M.L. Korphage  
Geologist  
Vincent Oil Corporation

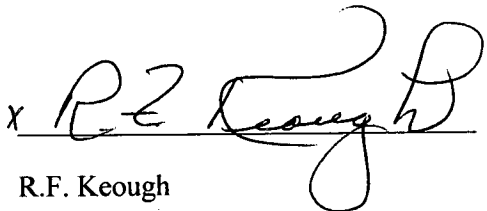
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OCT 19  
KCC WICHITA

**Vincent Oil Corporation**  
Transfer of Drilling Mud / Fluids  
Landowner Approval

I the undersigned, R.F. Keough, have given Vincent Oil Corporation my approval as the landowner to transfer drilling mud / fluids generated at a Vincent Oil Corporation drilling operation authorized by the KCC under API # 15-057-20732-00-00 to the surface pit located on my land in Section 34 T28S-R23W. The surface pit located on my land is on a productive lease operated by Vincent Oil Corporation and was authorized by the KCC under API # 15-057-20714-00-00.

The transfer of material to the surface pit on my land will be limited to the time frame of 7/6/2011 to 7/20/2011 and will include only drilling mud / fluids normally associated with drilling operations and approved by the KCC for placement in surface pits.

x   
R.F. Keough

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OCT 19 2011  
KCC WICHITA

STATE OF KANSAS )  
FORD COUNTY ) ss:

INDEXED  
GRANTOR  
GRANTEE  
NUMERICAL  
PHOTOGRAPHED

This instrument was filed in this office  
on the 14 day of April A.D.  
20 11 at 9:00 o'clock AM  
and duly Recorded in Book 1  
at O&G Misc. Page 439  
Fee \$ 8.00  
Register of Deeds

*Hand* *Page*

AFFIDAVIT OF PRODUCTION



STATE OF KANSAS )  
 ) ss:  
COUNTY OF SEDGWICK )

Richard a Hiebsch, of lawful age, being first duly sworn upon his oath, states:

That he is President of Vincent Oil Corporation, the operator and one of the owners of the following oil and gas lease covering land situated in Ford County, Kansas:

Oil and Gas Lease dated December 11, 2006, by and between R. F. Keough, a single woman, Lessor, and Janice Heckman, Lessee, covering all of Section 34, Township 28 South, Range 23 West, Ford County, Kansas, recorded in Book 49 at O & G Lease, Pages 258-259 in the Register of Deeds office of Ford County, Kansas, containing 640 acres, more or less;

Affiant further states that a test well for oil and/or gas was commenced on the above land at a location 1243 feet from the North Line and 1414 feet from the East Line of Section 34, Township 28 South, Range 23 West, Ford County, Kansas, on January 29, 2011, and that said test well was completed on March 4, 2011 as a producing oil and gas well.

Affiant further states that this affidavit is made pursuant to K.S.A. 55-205 for the purpose of giving due notice to the public that the contingency has occurred upon which the above described oil and gas lease will be continued beyond the primary term set forth therein and of the existence and continued validity of the above described oil and gas lease until the same shall be forfeited, cancelled, set aside and surrendered according to law.

FURTHER AFFIANT SAITH NOT.

*Richard A. Hiebsch*  
Richard A. Hiebsch

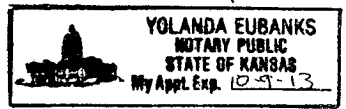
ACKNOWLEDGEMENT

STATE OF KANSAS )  
 ) ss:  
COUNTY OF SEDGWICK )

The foregoing instrument was acknowledged before me this 13th day of April 2011, by Richard A. Hiebsch.

*Yolanda Eubanks*  
Notary Public

My appointment expires:



**ASSIGNMENT OF OIL & GAS LEASES**

**KNOW ALL MEN BY THESE PRESENTS**

That the undersigned Janice Heckman, (hereinafter referred to as Assignor), for and in consideration of One Dollars (\$1.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged does hereby, subject to the terms, conditions and covenants hereinafter set out, sell, assign, transfer and set over unto Vincent Oil Corporation, (hereinafter referred to as Assignee) all of Assignor's right, title and interest in and to the oil and gas leases described as:

LESSOR: R. F. Keough  
LESSEE: Janice Heckman  
DATED: December 11, 2006  
RECORDED: Book OGL 49, Page 258  
COVERING: All Sec. 34, Township 28S, Range 23W  
Ford Co., KS

This Assignment is made subject to all the terms, provisions, covenants and conditions either expressed or implied, of the oil and gas lease described above.

The provisions and covenants herein contained shall attach to and run with the lease assigned and the lands described above and shall be binding upon and inure to the benefit of the Assignor and Assignee and their respective successors and assigns.

EXECUTED this 28<sup>th</sup> day of December, 2006.

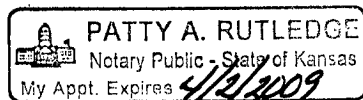
  
By: Janice Heckman

State of Kansas  
County of Seward

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of December, 2006. Witness my hand and official seal:

  
Notary Public

My Commission Expires:

  
PATTY A. RUTLEDGE  
Notary Public - State of Kansas  
My Appt. Expires 4/2/2009

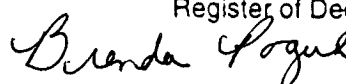
INDEXED  
GRANTOR  
GRANTEE  
NUMERICAL  
PHOTOGRAPHER

STATE OF KANSAS }  
FORD COUNTY } ss:



This instrument was filed in this office on the 5 day of January A.D. 2007 at 9:00 o'clock AM and duly Recorded in Book 98 at G. Ben Page 128 Fee \$ 8.00  
Register of Deeds

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OCT 10 2006



KCC WICHIT

**OIL AND GAS LEASE**

THIS AGREEMENT Made and entered into the 11th day of December, 2006, by and between R.F. Keough, a single woman, 206 West La Mesa Dr., Dodge City, Ks 67801, hereinafter called Lessor (whether one or more) and Janice Heckman, 612 North Clay Avenue, Liberal, Kansas 67901, hereinafter called Lessee: Lessor, in consideration of ten and more Dollars (\$ 10.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto lessee for the purpose of investigating, exploring, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, injecting gas, water, other fluids, and air into subsurface strata, laying pipe lines, storing oil, building tanks, and other structures and things thereon to produce, save take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of **Ford** in the State of **Kansas**, described as follows, to wit :

**Township 28 South, Range 23 West**  
**Section 34: all**

and containing **640** acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of **three years** from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lessee covenants and agrees:

1<sup>st</sup>. To deliver to the credit of lessor, free of cost, in the pipeline to which lessee may connect wells on said land, the equal one eighth (1/8th) part of all oil produced and saved from the leased premises.

2<sup>nd</sup>. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one eighth (1/8th) of the market price at the well, (but, as to gas sold by lessee, in no event more than one eighth (1/8th) of the proceeds received by lessee from such sales), for the gas sold used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, lessee may pay or tender as royalty, One Dollars (\$1.00) per year per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessee's operation thereon, except water from the wells of lessor.

When requested by Lessor, Lessee shall bury lessee's pipelines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay damages to crops to Lessor or surface owners for each well drilled. **Lessee agrees to reseed CRP**

**damaged in building a location on this quarter section.**

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

Lessee may at any time execute and deliver to lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and the undersigned lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

R. F. Keough

12-15-06

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