

For KCC Use: 8-21-2012
Effective Date: 4
District # _____
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: 8/15/2012
month day year

OPERATOR: License# 34405
Name: E & B NATURAL RESOURCES MANAGEMENT CORP.
Address 1: 1600 NORRIS RD.
Address 2: _____
City: BAKERSFIELD State: CA Zip: 93308 + _____
Contact Person: KEITH PICKETT
Phone: 661-301-1500
CONTRACTOR: License# 30606
Name: MURFIN DRILLING CO.

Spot Description: NE/4
SE - SW - SE - NE Sec. 24 Twp. 11 S. R. 18 E W
(2000') 2,490 feet from N / S Line of Section
952 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: ELLIS
Lease Name: MARSHALL E Well #: 31
Field Name: Remis-Shutte
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): ARBUCKLE
Nearest Lease or unit boundary line (in footage): 952'
Ground Surface Elevation: 1920 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: 180
Depth to bottom of usable water: 780
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 250'
Length of Conductor Pipe (if any): 0
Projected Total Depth: 3800'
Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations:
 Well Farm Pond Other: HAUL
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: 8/15/2012 Signature of Operator or Agent: Keaton Hepp Title: AGENT

For KCC Use ONLY
API # 15 - 051-26369-00-00
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. I II
Approved by: RWH 8-16-2012
This authorization expires: 8-16-2013
(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
AUG 15 2012
KCC WICHITA

24
11
18
 E
 W

For KCC Use ONLY
API # 15 - 051-26369-0000

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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: E & B NATURAL RESOURCES MANAGEMENT CORP.
Lease: MARSHALL E
Well Number: 31
Field: _____
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - NE/4

Location of Well: County: ELLIS
2,490 feet from N / S Line of Section
952 feet from E / W Line of Section
Sec. 24 Twp. 11 S. R. 18 E W

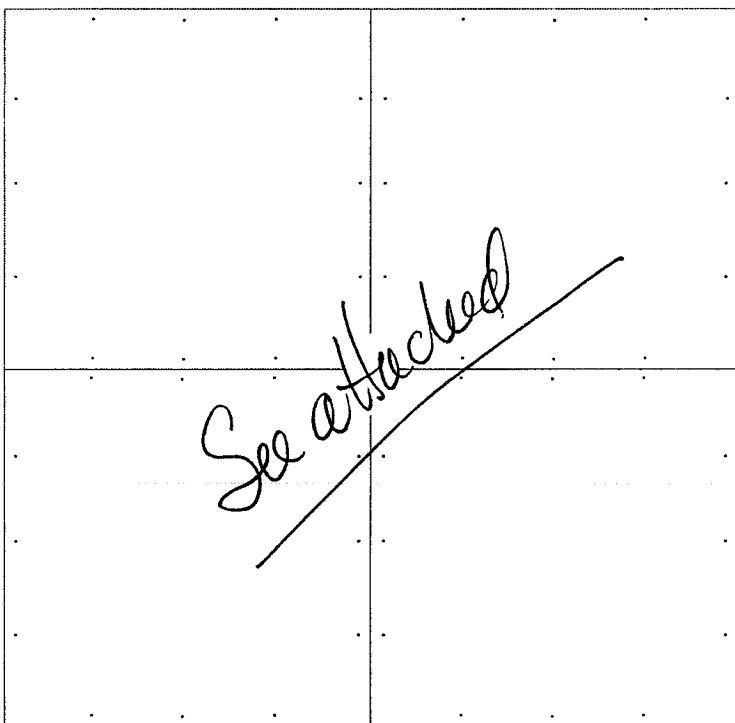
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

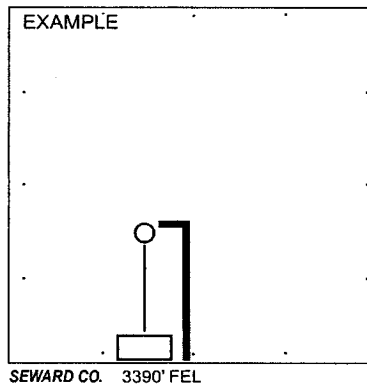
PLAT

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

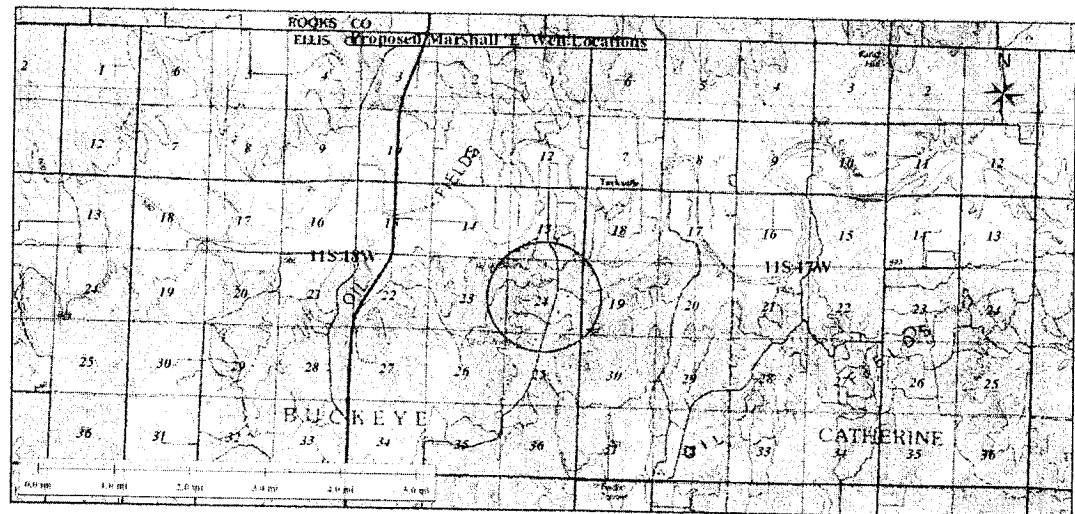
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AUG 15 2012

15051-26369-0000

KCC WICHITA

E&B Natural Resources Management
Marshall E Lease
NE/4 Section 24, T11sR18w
Ellis County, Kansas

well 31



15-051-26369-0000
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 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 # 34405
Name: E & B NATURAL RESOURCES MANAGEMENT CORP.
Address 1: 1600 NORRIS RD.
Address 2: _____
City: BAKERSFIELD State: CA Zip: 93308 + _____
Contact Person: KEITH PICKETT
Phone: (661) 301-1500 Fax: (_____) _____
Email Address: p1oilmand@aol.com

Well Location:
_____ NE/4 Sec. 24 Twp. 11 S. R. 18 East West
County: ELLIS
Lease Name: MARSHALL E Well #: 31

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

Surface Owner Information:

Name: RON PEAVEY
Address 1: 207 SW 9TH ST.
Address 2: _____
City: PLAINVILLE State: KS Zip: 67063 + _____

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.

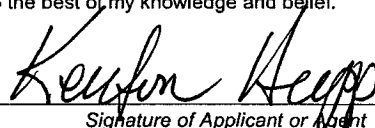
Date: 8/15/2012 Signature of Operator or Agent: Keaton Hupp Title: AGENT

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AUG 15 2012
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: E & B NATURAL RESOURCES MANAGEMENT CORP.		License Number: 34405
Operator Address: 1600 NORRIS RD.		BAKERSFIELD CA 93308
Contact Person: KEITH PICKETT		Phone Number: 661-301-1500
Lease Name & Well No.: MARSHALL E 31		Pit Location (QQQQ): <u>SE - SW - SE - NE/4</u> Sec. <u>24</u> Twp. <u>11</u> R. <u>18</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2,490</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>952</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section ELLIS 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: 7,100 (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? BENTONITE
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) Depth from ground level to deepest point: <u>4</u> (feet)		<input type="checkbox"/> N/A: Steel Pits <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>5153</u> feet Depth of water well <u>55</u> feet		Depth to shallowest fresh water <u>40</u> 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: <u>BENTONITE MUD</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>ALLOW FOR EVAPORATION. FILL IN AND COVER PITS.</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>8/15/2012</u> Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>8-15-12</u> Permit Number: _____ Permit Date: <u>8-15-12</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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AUG 15 2012**

KCC WICHITA

15-051-26369-0000

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

NOTICE

Nearest Lease or Unit Boundary Line

K.A.R. 82-3-108 provides that all oil and gas well locations must comply with setback requirements, unless an exception has been granted by the Commission. Depending upon whether the subject well is an oil well or gas well, and also depending upon the county in which the well is located, the setback may be 330 feet or 165 feet from the nearest lease or unit boundary.

This Intent to Drill (“C-1”) form indicates that the distance between the well and the nearest lease or unit boundary will comply with the setback requirement. Accordingly, the C-1 has been approved. However, the C-1 also stated that the well location is very near a boundary line of a Section or a Quarter-Section. This notice is being sent as a courtesy reminder, in case an error was made on the C-1.

As the operator of the proposed well, you must independently verify that the proposed well location complies with the applicable regulatory setback. If at any time it should appear that a well does not comply with the regulatory setback, the well may be subject to being shut-in pending Commission approval of an application for a well location exception. In addition, if such an application is not granted by the Commission, you may be required to plug the well.

If the proposed well location will comply with the regulatory setback, this notice may be disregarded. Please contact the KCC Production Department with any questions or concerns.