

For KCC Use: 7-15-2012
 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: July 15, 2012
 month day year

OPERATOR: License# 33761
 Name: K & A OIL COMPANY, a General Partnership
 Address 1: P.O. BOX 4
 Address 2: _____
 City: LONGTON State: KS Zip: 67352 + _____
 Contact Person: FREDERICK KILL
 Phone: 620-842-2039

CONTRACTOR: License# 33689
 Name: CANNON DRILLING COMPANY

Well Drilled For: Oil Gas
 Enh Rec Storage Disposal
 Seismic: _____ # of Holes
 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: _____
 NW - NW - NE - NE Sec 4 Twp: 32 S. R. 12 E W
 (or) 5,045 feet from N / S Line of Section
1,047 feet from E / W Line of Section

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

County: ELK
 Lease Name: MCKAY Well #: 5
 Field Name: HALENGE

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): SALT SAND
 Nearest Lease or unit boundary line (in footage): 235

Ground Surface Elevation: 973 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: 150
 Depth to bottom of usable water: 225
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 40'
 Length of Conductor Pipe (if any): NONE
 Projected Total Depth: 440
 Formation at Total Depth: SALT SAND

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: JULY 10, 2012 Signature of Operator or Agent: Donna Thanda Title: AGENT

For KCC Use ONLY
 API # 15 - 049-22571-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 40 feet per ALT. I II
 Approved by: [Signature] 7-10-2012
 This authorization expires: 7-10-2013
 (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: 7-12-2012
 Signature of Operator or Agent: Donna Thanda

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

RECEIVED

JUL 10 2012

KCC WICHITA

RECEIVED

JUL 12 2012

KCC WICHITA

4
32
12
 E
 W