

For KCC Use: 12-1-2012
Effective Date: 12-1-2012
District #: 1
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: 12 month 26 day 2012 year

OPERATOR: License# 32283
Name: Western Operating Company
Address 1: 518 17th Street, Suite 200
Address 2: _____
City: Denver State: CO Zip: 80202 + _____
Contact Person: Steven D. James
Phone: 303-893-2438

CONTRACTOR: License# 30606
Name: Murfin Drilling

Spot Description:
SE NW NW NW
(0.0000) 335 feet from N / S Line of Section
495 feet from E / W Line of Section

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

County: Hamilton
Lease Name: Fox Well #: 1-8
Field Name: Helfrich

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

Nearest Lease or unit boundary line (in footage): 335'
Ground Surface Elevation: 3596.1' 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: 250' 180'
Depth to bottom of usable water: 700' 820'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 800' 840'

Length of Conductor Pipe (if any): _____
Projected Total Depth: 5600'

Formation at Total Depth: Mississippi

Water Sources 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: _____

Well Drilled For: Oil Gas Seismic; # of Holes _____
Well Class: Enh Rec Storage Disposal Other _____
Type Equipment: Mud Rotary Air Rotary Cable Infield Pool Ext. Wildcat

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 #: _____

PRORATED & SPACED: HULOTAN-PANOMA 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: 11/19/2012 Signature of Operator or Agent: _____ Title: President

For KCC Use ONLY
API # 15 - 075-20866-0000
Conductor pipe required None feet
Minimum surface pipe required 840 feet per ALT. I II
Approved by: RW 11-26-2012
This authorization expires: 11-26-2013
(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: _____

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25
42
 E
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RECEIVED

NOV 21 2012

KCC WICHITA

For KCC Use ONLY
API # 15 - 075-20866-0000

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: Western Operating Company
Lease: Fox
Well Number: 1-8
Field: Helfrich

Location of Well: County: Hamilton
335 feet from N / S Line of Section
495 feet from E / W Line of Section
Sec. 8 Twp. 25 S. R. 42 E W

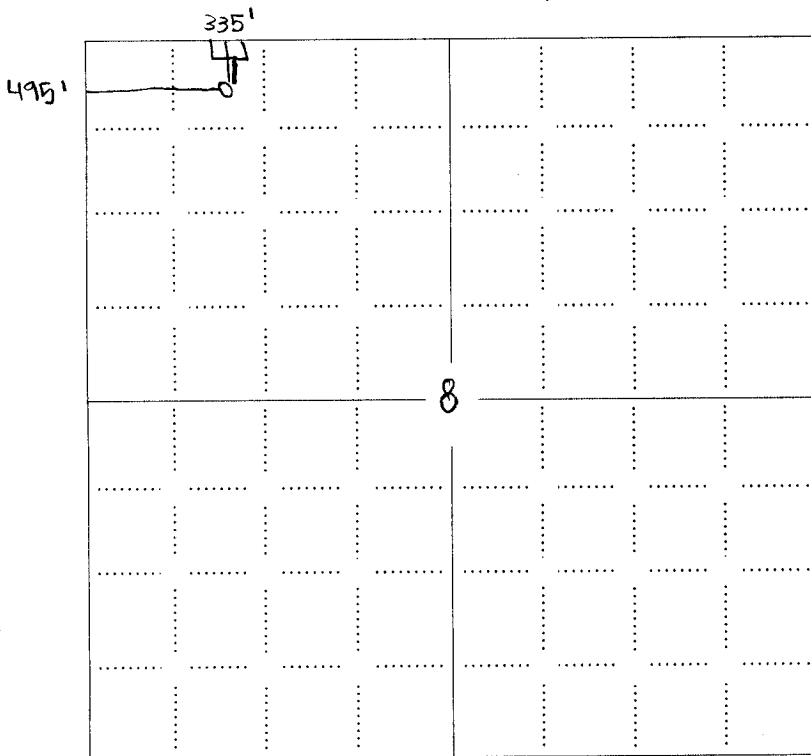
Number of Acres attributable to well: 160
QTR/QTR/QTR/QTR of acreage: SE - NE - NE - NE - NW NW NW

Is Section: Regular or Irregular

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

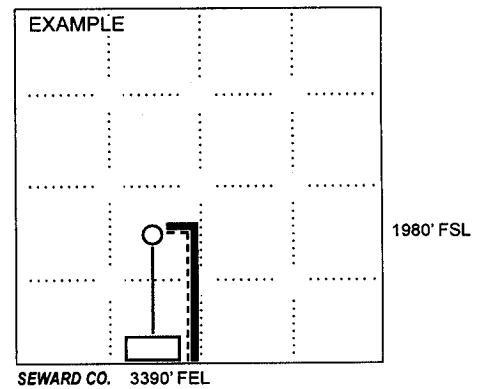
PLAT

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 locaton.

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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NOV 21 2012

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**

KCC WICHITA

15-075-20866-0000

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 # 32283
Name: Western Operating Company
Address 1: 518 17th Street, Suite 200
Address 2:
City: Denver State: CO Zip: 80202 +
Contact Person: Steven D. James
Phone: (303) 893-2438 Fax: (303) 629-5735
Email Address: s.d.james@att.net

Well Location: NW-NW-NW
SE-NE-NE-NE Sec. 8 Twp. 25 S. R. 42 East West
County: Hamilton
Lease Name: Fox Well #: 1-8

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

Surface Owner Information:

Name: George Herrmann
Address 1: 12466 US Highway 400
Address 2:
City: Ford State: KS Zip: 67842 +

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.

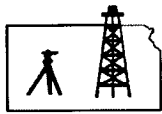
Select one of the following:

- 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.

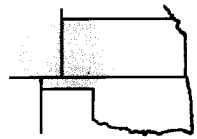
I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 11/19/2012 Signature of Operator or Agent:  Title: President



Pro-Stake LLC
Oil Field & Construction Site Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499

KCC WICHITA



002542
PLAT NO.

10459
INVOICE NO.

Western Operating, Co.
OPERATOR

Fox #1-8
LEASE NAME

Hamilton County, KS
COUNTY

8 25s 42w
Sec. Twp. Rng.

335' FNL - 495' FWL
LOCATION SPOT

SCALE: 1" = 1000'
DATE STAKED: Nov. 6th, 2012
MEASURED BY: Luke R.
DRAWN BY: Luke R.
AUTHORIZED BY: Ed S. & Steve J.

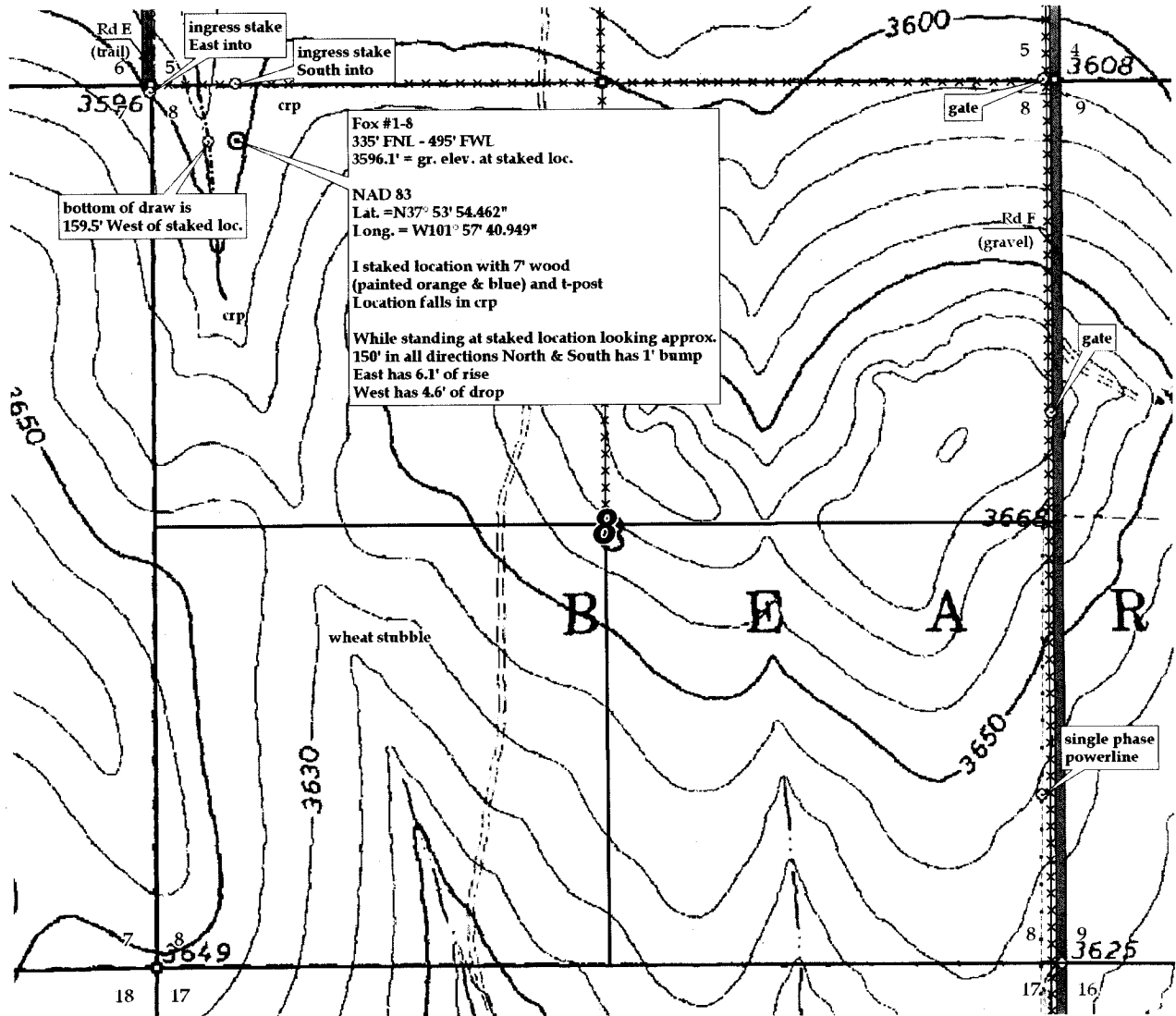


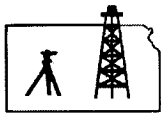
GR. ELEVATION: 3596.1'

Directions: From the center of Syracuse Ks at the intersection of Hwy 50 & Hwy 27/270 South - Now go 4.7 miles South on Hwy 27/270 - Now go 11 miles West on Rd 25 to ingress stake South into - Now go 1 mile South on Rd E to the NW corner of section 8-25s-42w & ingress stake East into - Now go 495' East through crp to ingress stake South into - Now go 335' South through crp into staked location.

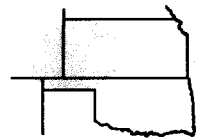
Final ingress must be verified with land owner or Operator.

This drawing does not constitute a monumented survey or a land survey plat. This drawing is for construction purposes only.





Pro-Stake LLC KCG WIGHITA
 Oil Field & Construction Site Staking
 P.O. Box 2324
 Garden City, Kansas 67846
 Office/Fax: (620) 276-6159
 Cell: (620) 272-1499



002542
PLAT NO.

10459
INVOICE NO.

Western Operating, Co.
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LEASE NAME

Hamilton County, KS
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8 25s 42w
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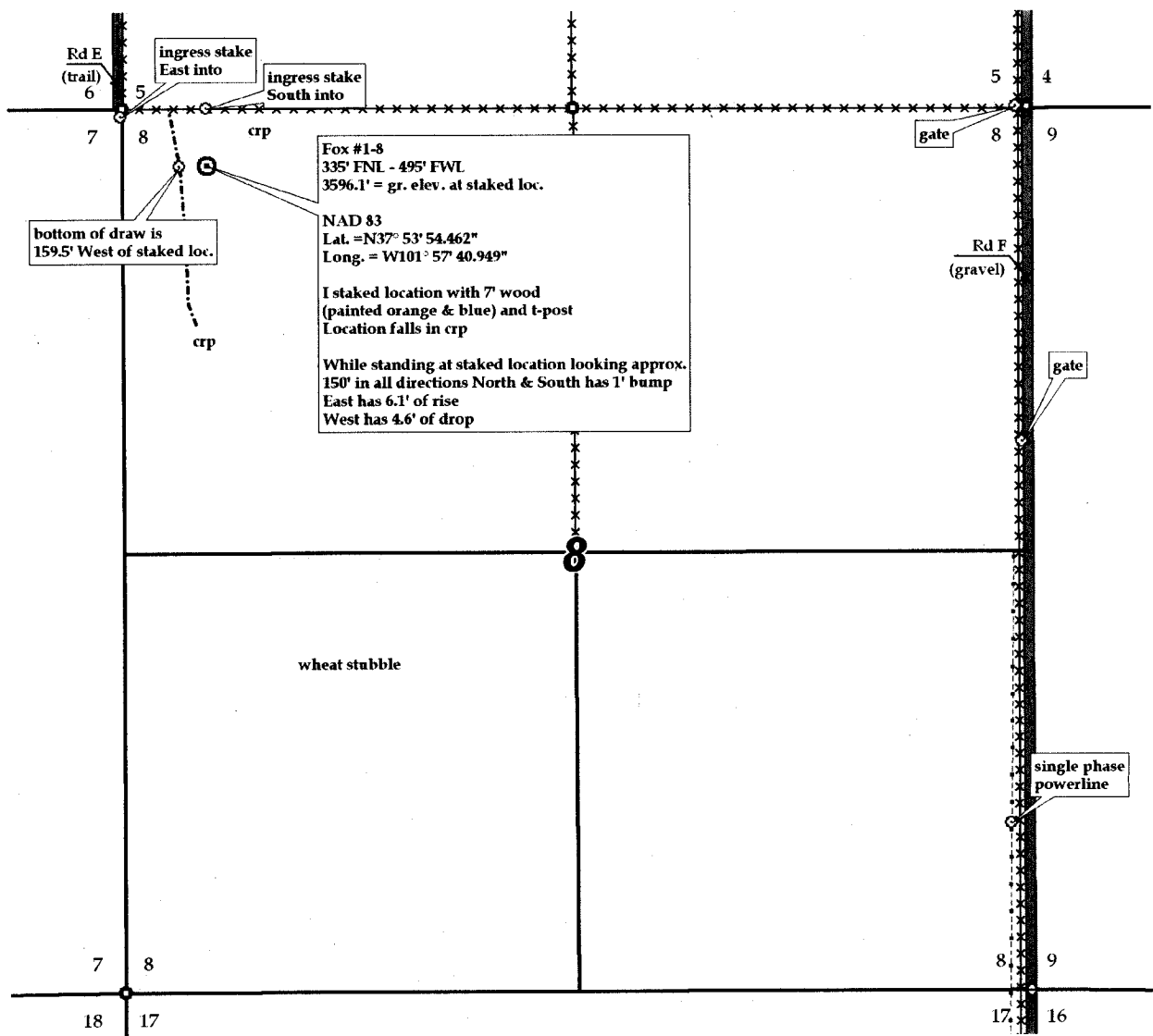
SCALE: 1" = 1000'
 DATE STAKED: Nov. 6th, 2012
 MEASURED BY: Luke R.
 DRAWN BY: Luke R.
 AUTHORIZED BY: Ed S. & Steve J.



GR. ELEVATION: **3596.1'**

Directions: From the center of Syracuse Ks at the intersection of Hwy 50 & Hwy 27/270 South – Now go 4.7 miles South on Hwy 27/270 – Now go 11 miles West on Rd 25 to ingress stake South into – Now go 1 mile South on Rd E to the NW corner of section 8-25s-42w & ingress stake East into – Now go 495' East through crp to ingress stake South into – Now go 335' South through crp into staked location.
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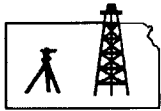
Fox #1-8
 335' FNL - 495' FWL
 3596.1' = gr. elev. at staked loc.

NAD 83
 Lat. = N37° 53' 54.462"
 Long. = W101° 57' 40.949"

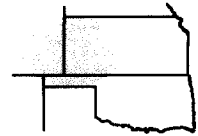
I staked location with 7' wood (painted orange & blue) and t-post
 Location falls in crp

While standing at staked location looking approx. 150' in all directions North & South has 1' bump
 East has 6.1' of rise
 West has 4.6' of drop

15-075-20866-0000



Pro-Stake LLC KCC WICHITA
Oil Field & Construction Site Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
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002542
PLAT NO.

10459
INVOICE NO.

Western Operating, Co.
OPERATOR

Fox #1-8
LEASE NAME

Hamilton County, KS
COUNTY

8 25s 42w
Sec. Twp. Rng.

335' FNL - 495' FWL
LOCATION SPOT

SCALE: N/A
DATE STAKED: Nov. 6th, 2012
MEASURED BY: Luke R.
DRAWN BY: Luke R.
AUTHORIZED BY: Ed S. & Steve J.

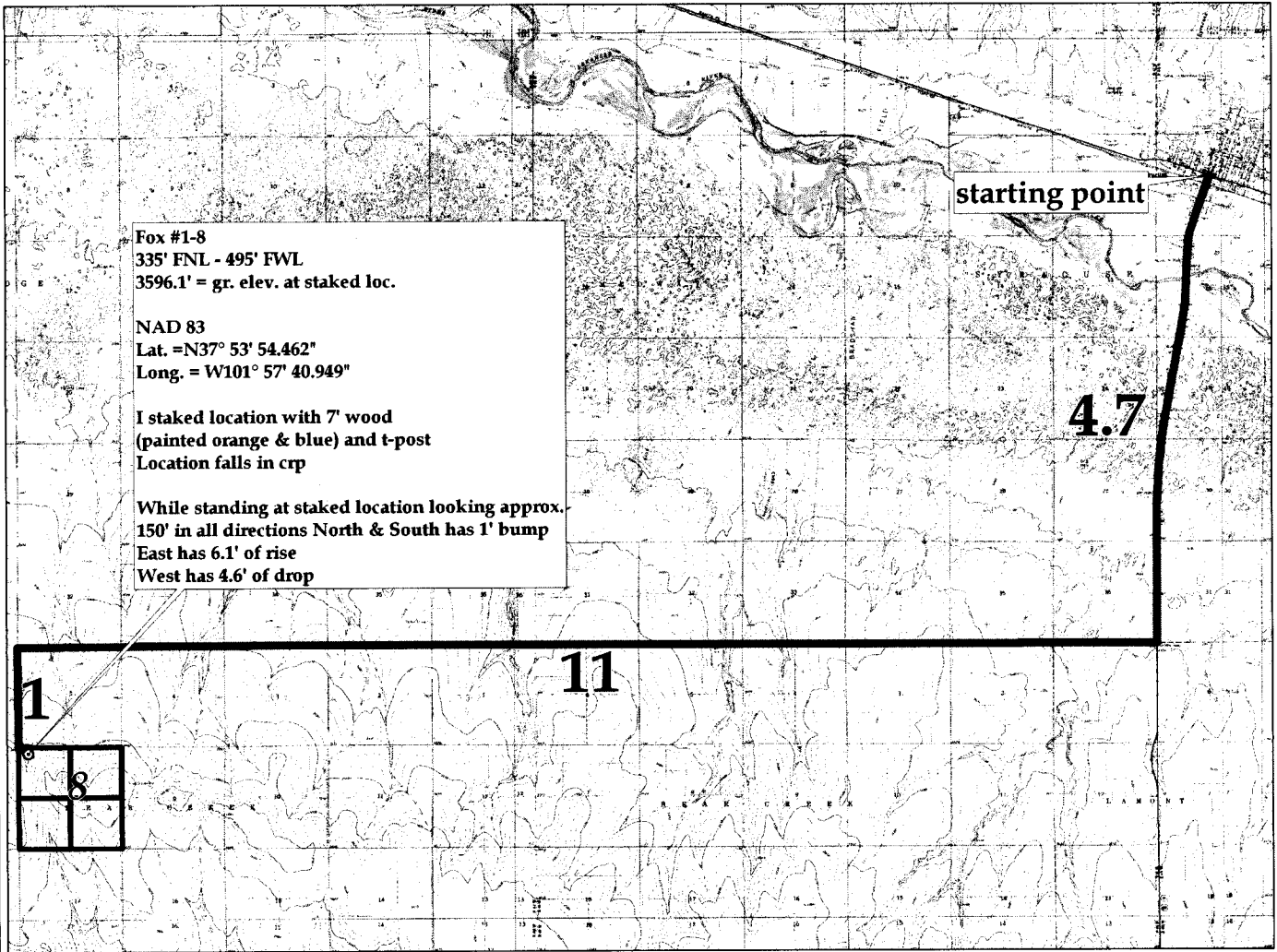


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335' FNL - 495' FWL
3596.1' = gr. elev. at staked loc.

NAD 83
Lat. = N37° 53' 54.462"
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I staked location with 7' wood
(painted orange & blue) and t-post
Location falls in crp

While standing at staked location looking approx.
150' in all directions North & South has 1' bump
East has 6.1' of rise
West has 4.6' of drop

starting point

4.7

11

1

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WESTERN OPERATING COMPANY

518 Seventeenth Street, Suite 200

Denver, Colorado 80202

Phone: (303) 893-2438

Fax: (303) 629-5735

15-075-20866-0000

TO: Surface Owner
FROM: Steven D. James, President
Western Operating Company
DATE: November 19, 2012
RE: Intent to Drill Fox #1-8 Well

Dear Surface Owner:

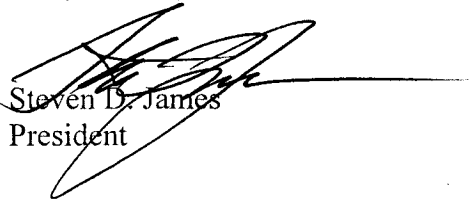
Enclosed you will find copies of the documents being filed with the Kansas Corporation Commission in order to commence the drilling of the above referenced well.

The drilling will be conducted by the following operator:

Western Operating Company
518 17th Street, Suite 200
Denver, CO 80202
303-893-2438 Office
303-629-5735 Fax
s.d.james@att.net Email

Sincerely,

WESTERN OPERATING COMPANY


Steven D. James
President

RECEIVED
NOV 21 2012
KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

NOV 21 2012

Submit in Duplicate

KCC WICHITA

| | | | |
|---|--|--|--|
| Operator Name: Western Operating Company | | License Number: 32283 | |
| Operator Address: 518 17th Street, Suite 200 | | Denver CO 80202 | |
| Contact Person: Steven D. James | | Phone Number: 303-893-2438 | |
| Lease Name & Well No.: FOX 1-8 | | Pit Location (QQQQ): <u>SE</u> <u>NW</u> <u>NW</u> <u>NW</u> <u>NE</u> <u>NE</u> <u>NE</u> <u>NE</u> | |
| 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 (If WP Supply API No. or Year Drilled) | | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 20,000 (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only) | |
| 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? Native Muds and Clays | | | |
| Pit dimensions (all but working pits): 150 Length (feet) 150 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 10 (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>N/A</u> feet Depth of water well _____ feet | | Depth to shallowest fresh water 104 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: drilling mud, native clay Number of working pits to be utilized: 1 Abandonment procedure: Land Farm-Remove Fluid, Dry, Backfill 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>11-19-12</u> Date | | Signature of Applicant or Agent | |

15-075-20866-00-00

| | | | |
|---|----------------------|------------------------------|---|
| KCC OFFICE USE ONLY | | | |
| <input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS | | | |
| Date Received: <u>11-26-12</u> | Permit Number: _____ | Permit Date: <u>11-26-12</u> | Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |