

collected

For KCC Use: Effective Date: 4-7-2013 District # 1 SGA? [X] Yes [] No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

RECEIVED KANSAS CORPORATION COMMISSION

Form C-1 March 2010

APR 08 2013

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

CORRECTED

Expected Spud Date: April 17, 2013 month day year

OPERATOR: License# 31327 Name: Pauley Oil Address 1: 314 5th Street Address 2: City: Claffin State: KS Zip: 67525 Contact Person: Gary Pauley Phone: (785)252-8024

CONTRACTOR: License# 33350 Name: Southwind Drilling Inc.

Spot Description: Sec. 7 Twp. 23 S. R. 11 NW SW NW feet from N / W Line of Section feet from W Line of Section Is SECTION: [X] Regular [] Irregular?

County: Stafford Lease Name: FSI Well #: 6 Field Name: Brock

Is this a Prorated / Spaced Field? [] Yes [X] No Target Formation(s): Arbuckle

Nearest Lease or unit boundary line (in footage): 470' Ground Surface Elevation: 1827 Estimated feet MSL

Water well within one-quarter mile: [X] Yes [] No Public water supply well within one mile: [X] Yes [] No

Depth to bottom of fresh water: 150 165 Depth to bottom of usable water: 180

Surface Pipe by Alternate: [X] I Length of Surface Pipe Planned to be set: 300'

Length of Conductor Pipe (if any): Projected Total Depth: 3700' Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: [X] Well [] Farm Pond [] Other: DWR Permit #:

(Note: Apply for Permit with DWR) Will Cores be taken? [] Yes [X] No If Yes, proposed zone:

Well Drilled For: [X] Oil [] Gas [] Seismic; # of Holes [] Other: Well Class: [X] Infield [] Pool Ext. [] Wildcat [] Other: Type Equipment: [X] 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 [X] No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

* WAS: 1790 FNL; 470' FWL IS: 1851 FNL; 455' FWL

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: 3-18-2013 Signature of Operator or Agent: Gary Pauley Title: owner

For KCC Use ONLY API # 15 - 185-23803-0000 Conductor pipe required None feet Minimum surface pipe required 200 feet per ALT. [X] I [] II Approved by: [Signature] Date: 4-2-2013 This authorization expires: 4-2-2014 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 MAR 19 2013

KCC WICHITA

7 23 11 [X] E [X] W

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

CORRECTED

Form CDP-1
May 2010
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

* Corrected

Operator Name: Pauley Oil		License Number: 31327	
Operator Address: 314 5th Street		Claffin KS 67525	
Contact Person: Gary Pauley		Phone Number: (785)252-8024	
Lease Name & Well No.: FSI 6		* Pit Location (QQQQ): NW SW NW Sec. <u>7</u> Twp. <u>23</u> R. <u>11</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1790</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>470 455</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Stafford 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: 4000 (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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? Native Mud	
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</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>800</u> feet	Depth of water well <u>80</u> feet	Depth to shallowest fresh water <u>80</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" 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 Mud Number of working pits to be utilized: 3 Abandonment procedure: Allow to dry and 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.		RECEIVED MAR 19 2013 KCC WICHITA	
<u>3-14-2013</u> Date		 Signature of Applicant or Agent	

15-185-23803-00700

KCC OFFICE USE ONLY			
Date Received: <u>3-19-13</u>	Permit Number: _____	Permit Date: <u>4-2-13</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS			

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