



For KCC Use:
 Effective Date: 12/12/2011
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1069881
 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: 12/19/2011
month day year

Spot Description: _____
 NE - NW - SW - NE Sec. 3 Twp. 22 S. R. 16 E W
(0000) 3765 feet from N / S Line of Section
2145 feet from E / W Line of Section

OPERATOR: License# 32955
 Name: Kenneth & Regina Laymon, LLC
 Address 1: 1998 SQUIRREL RD
 Address 2: _____
 City: NEOSHO FALLS State: KS Zip: 66758 + 7124
 Contact Person: Kenneth Laymon
 Phone: 620-863-2495

Is SECTION: Regular Irregular?

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

CONTRACTOR: License# 5661
 Name: Kelly Down Drilling Co., Inc.

County: Coffey

Lease Name: Gilbert Well #: 8-11

Field Name: Avon

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Squirrel

Well Drilled For: Well Class: Type Equipment:

<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other		

Nearest Lease or unit boundary line (in footage): 1515

Ground Surface Elevation: 1024 Estimated Estimated _____ 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: 100

Depth to bottom of usable water: 200

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 40

Length of Conductor Pipe (if any): _____

Projected Total Depth: 1200

Formation at Total Depth: Squirrel

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: _____

RECEIVED

DEC 14 2012

KCC WICHITA

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.

Submitted Electronically

For KCC Use ONLY
 API # 15 - 15-031-23118-00-00
 Conductor pipe required 0 feet
 Minimum surface pipe required 40 feet per ALT. I II
 Approved by: Rick Hestermann 12/07/2011
 This authorization expires: 12/07/2012
(This authorization void if drilling not started within 12 months of approval date.)
 Spud date: _____ Agent: _____

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

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 prorotation 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: _____

3
22
16
 E
 W