

For KCC Use:
Effective Date: 10/30/2013
District # 3
SGA? [X] Yes [] No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

1163007

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: 11/15/2013
month day year

OPERATOR: License# 33594
Name: Quito, Inc.
Address 1: 1613 W 6TH ST
Address 2:
City: BARTLESVILLE State: OK Zip: 74003 + 3712
Contact Person: MARK W. McCANN
Phone: 918-337-4747

CONTRACTOR: License#
Name: Advise on ACO-1 -- Must be licensed by KCC

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

Spot Description: NE - NW - SE - NE Sec. 33 Twp. 33 S. R. 12 [X] E [] W
3782 feet from [] N [X] S Line of Section
4578 feet from [X] E [] W Line of Section

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

County: Chautauqua
Lease Name: BEASON-MORTON Well #: M-2
Field Name: PERU-SEDAN

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

Nearest Lease or unit boundary line (in footage): 330
Ground Surface Elevation: 783 Estimated feet MSL
Water well within one-quarter mile: [] Yes [X] No
Public water supply well within one mile: [] Yes [X] No
Depth to bottom of fresh water: 100
Depth to bottom of usable water: 225
Surface Pipe by Alternate: [] I [X] II
Length of Surface Pipe Planned to be set: 40
Length of Conductor Pipe (if any):
Projected Total Depth: 1100
Formation at Total Depth: WAYSIDE

Water Source for Drilling Operations: [] Well [] Farm Pond [X] Other: AIR
DWR Permit #: (Note: Apply for Permit with DWR [])

Will Cores be taken? [] Yes [X] 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.

KCC WICHITA
NOV 06 2013
RECEIVED

Submitted Electronically

For KCC Use ONLY
API # 15 - 15-019-27361-00-00
Conductor pipe required 0 feet
Minimum surface pipe required 40 feet per ALT. [] I [X] II
Approved by: Rick Hestermann 10/25/2013
This authorization expires: 10/25/2014
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.

[X] Well will not be drilled or Permit Expired Date: 11-6-13
Signature of Operator or Agent:

33
33
12
[X] E [] W

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