For KCC Use: Effective Date: 7-3-05
District #: 1

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by KCC live (5) days prior to commencing drill.

RECEIVED 6-28-05
KCC WICHITA

July 18, 2005

Spot E2 - NE Sec. 5 Twp. 33 S R. 10 E Elec. 680 Line of Section

Feet from N S E W

feet from Point of Beginning

Is SECTION Regular Irregular?

(No Locate will be shown on the Section Plan or on reverse side)

County: Barber

Lease Name: Traffas Field Name: Goeman - McGuire Well #: B-3

Nearest Lease or unit boundary: 337

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 130

Length of Surface Pipe Planned to be set: 25 ft

Length of Conductor Pipe required: None

KCC DKT #: 31191

Contractor: Landmark Drilling, LLC

State: Kansas

Address: PO Box 195
City/State/Zip: Abilene, KS 67409
Contact Person: Randy Newberry
Phone: (620) - 254 - 7251

Spot Date: 18 2005

Dated: 6-27-05 Signature of Operator or Agent: Rebecca Stuewe Title: Sec./Treas.

Affidavit

The undersigned hereby affirm 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 casing cement to the top; in all cases surface pipe shall be set through 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;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

O pursuant to Appendix "E" - 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 reworking.

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

Date: 6-27-05

For KCC Use ONLY

API # 15 - 699.229/6.00.00

Conductor pipe required: None

Minimum surface pipe required: 200 Test: AC +

Approved by: RG828-05

This authorization expires:

(12-28-05) (This authorization void if drilling not started within 6 months of effective date.)

Conduit date: 6-27-05

Agent: Rebecca Stuewe
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly related in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15
Operator: R&B Oil & Gas, Inc.
Lease: Traffas
Well Number: B 3
Field:

Number of Acres attributable to well:

QTR / QTR / QTR of acreage:

Location of Well: 660

County: Barber

Feet from

N / S Line of Section

330

Sec: 5

W Line of Section

Twp: 13

East / West

S. A: 10

If Section is Irregular, locate well from nearest corner boundary.

Is Section: ☑ Regular or ☐ Irregular

direction corner used:

NE ☑ NE ☐ NW ☐ SE ☐ SW

PLAT

(Show location of the well and acreage attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

EXAMPE

NOTE: In all cases locate the spot of the proposed drilling location.

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 section’s south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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).
June 28, 2005

Mr. Randy Newberry
R & B Oil & Gas, Inc.
PO Box 195
Atica, KS 67009

RE: Drilling Pit Application
Traffic B Lease Well No. 3
NE 1/4 Sec. 05-33S-10W
Barber County, Kansas

Dear Mr. Newberry:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and compacted with native clay or bentonite. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8882 when the fluids have been removed. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant