KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
NOTICE OF INTENT TO DRILL  
Must be approved by KCC five (5) days prior to commencing well

For KCC Use:  
Effective Date: 8-18-04  
District #: 2  
SGA? X Yes □ No

Expected Spud Date:  
____ month   ____ day   ____ year

OPERATOR: License #: 31191  
Name: R & B OIL & GAS  
Address: P. O. Box 195  
City/State/Zip: Attica, Kansas 67009-0195  
Contact Person: Randy Newberry  
Phone: 620/254-7251

CONTRACTOR: License #: 5929  
Name: DUKE DRILLING CO., INC.  

Well Drilled For:  
□ Oil □ Enh Rec □ Infield □ Mud Rotary  
□ Gas □ Storage □ Pool Ext. □ Air Rotary  
□ OWO □ Disposal □ Wildcat □ Cable  
□ Seismic: □ # of Holes □ Other

Well Class:  
□ Oil □ Enh Rec □ Infield □ Mud Rotary  
□ Gas □ Storage □ Pool Ext. □ Air Rotary  
□ OWO □ Disposal □ Wildcat □ Cable  
□ Seismic: □ # of Holes □ Other

Type Equipment:  
□ Oil □ Enh Rec □ Infield □ Mud Rotary  
□ Gas □ Storage □ Pool Ext. □ Air Rotary  
□ OWO □ Disposal □ Wildcat □ Cable  
□ Seismic: □ # of Holes □ Other

Spot:  
NE 90  
Sec 15  
Twp 26 S  
R 9 E  
Line of Section X  
□ East □ West

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

County: Reno  
Lease Name: BEAT  
Well #: 3  
Field Name: Lancer

Is this a Prorated / Spaced Field? □ Yes □ No  
Target Information(s): Lansing  
Nearest Lease or unit boundary: 990'

Ground Surface Elevation:  
1700 feet MSL  
Water well within one-thousand feet: □ Yes □ No  
Public water supply well within one mile: □ Yes □ No  
Depth to bottom of fresh water: 1200'  
Depth to bottom of usable water: 2400'

Surface Pipe by Alternate: □ 1 □ 2  
Length of Surface Pipe Planned to be set: 285'  
Length of Conductor Pipe required: □ None  
Projected Total Depth: 3750'  
Formation at Total Depth: Mississippian  
Water Source for Drilling Operations: □ Well □ Farm Pond □ Other □ X

DWR Permit #:  
(Note: Apply for Permit with DWR □)

Will Cores be taken? □ Yes □ No  
If Yes, proposed zone:  

KCC DKT #:  

JUL 28 2004  

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.

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

Date: July 27, 2004  
Signature of Operator or Agent: Sally B. Byers  
Title: Agent

Remember To:  
- File Drill Pit Application (form CD-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;
- Obtain written approval before disposing or injecting salt water;
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

☐ Well Not Drilled - Permit Expired

Signature of Operator or Agent:  
Date:  

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67202
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 located 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: __________________________
Lease: ____________________________
Well Number: ______________________
Field: ____________________________
Number of Acres attributable to well: __________
QTR / QTR / QTR of acreage: _______ _______ _______

Location of Well: County: ____________________________
feet from N / S Line of Section
feet from E / W Line of Section
Sec. _______ Twp. _______ S. R. _______
East West
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 and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

RENO COUNTY

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).
August 13, 2004

Mr. Randy Newberry
R & B Oil & Gas
PO Box 195
Attica, KS 67009-0195

Re: Drilling Pit Application
Beauch Leaole Well No. 3
SW/4 Sec. 15-26S-09W
Reno 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 all pits must be lined with 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 within 72 hours 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 (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, 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,

[Signature]

Kathy Haynes
Environmental Protection and Remediation Department

cc: Doug Louis