

| For KCC | Use: | |
|------------|----------|--|
| Effective | Date: | |
| District # | <u> </u> | |
| 0040 | | |

Approved by:

Spud date: _

This authorization expires: __

(This authorization void if drilling not started within 12 months of approval date.)

Agent: .

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1017721

Form C-1
October 2007
Form must be Typed
Form must be Signed

| Expected Spud Date: | Spot Description: |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| month day year | Sec Twp S. R |
| PERATOR: License# | (a/a/a/a) sec. wyp. s. H. Line of Section |
| ame: | feet from E / W Line of Section |
| ddress 1: | Is SECTION: Regular Irregular? |
| ddress 2: | (Note: Locate well on the Section Plat on reverse side) |
| ty: | County: |
| ontact Person: | Lease Name: Well #: |
| none: | Field Name: |
| DNTRACTOR: License# | Is this a Prorated / Spaced Field? |
| me: | Target Formation(s): |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary line (in footage): |
| | Ground Surface Elevation:feet MS |
| Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary | Water well within one-quarter mile: |
| Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable | Public water supply well within one mile: |
| Seismic ; # of Holes Other | Depth to bottom of fresh water: |
| Other: | Depth to bottom of usable water: |
| | Surface Pipe by Alternate: II III |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: |
| Operator: | Length of Conductor Pipe (if any): |
| Well Name: | Projected Total Depth: |
| Original Completion Date: Original Total Depth: | Formation at Total Depth: |
| rectional, Deviated or Horizontal wellbore? | Water Source for Drilling Operations: |
| rectional, Deviated or Horizontal wellbore? Yes No | Well Farm Pond Other: |
| ottom Hole Location: | DWR Permit #:(Note: Apply for Permit with DWR) |
| CC DKT #: | (Note: Apply for Permit with DWH) Will Cores be taken? |
| | Will Coles be taken: |
| | If Yes proposed zone: |
| | If Yes, proposed zone: |
| | If Yes, proposed zone: |
| AFF | IDAVIT |
| AFF he undersigned hereby affirms that the drilling, completion and eventual plu | IDAVIT |
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- Obtain written approval before disposing or injecting salt water.

check the box below and return to the address below.

Well Not Drilled - Permit Expired Date: _

Signature of Operator or Agent:

- If this permit has expired (See: authorized expiration date) please



IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

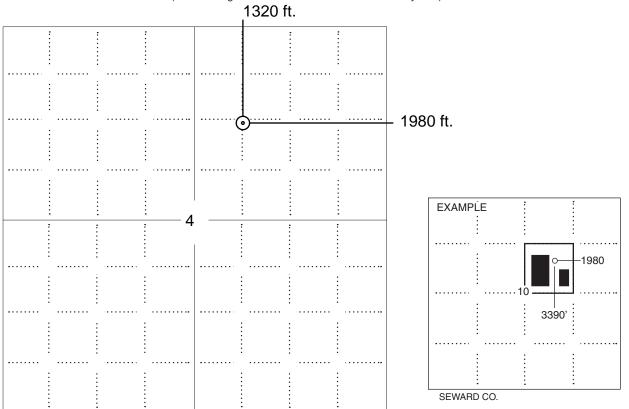
Plat of acreage attributable to a well in a prorated or spaced field

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: | Location of Well: County: |
| Lease: | feet from N / S Line of Section |
| Well Number: | feet from E / W Line of Section |
| Field: | Sec Twp S. R |
| Number of Acres attributable to well: | 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.)



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

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,
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1017721

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: | | License Number: | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--|--|--|
| Operator Address: | | | | | | |
| Contact Person: | | Phone Number: | | | | |
| Lease Name & Well No.: | | Pit Location (QQQQ): | | | | |
| Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits): Depth from If the pit is lined give a brief description of the material, thickness and installation procedure | Artificial Liner? Yes 1 Length (feom ground level to de | No No et) Describe proce | | | | |
| | | | | | | |
| Distance to nearest water well within one-mile | of pit | Depth to shallo | west fresh waterfeet. | | | |
| feet Depth of water wellfeet | | | redwell owner electric logKDWR | | | |
| 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 flow into the pit? Yes No Submitted Electronically | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Number of working pits to be utilized: Abandonment procedure: Drill pits must be closed within 365 days of spud date. | | | | |
| | | | | | | |
| KCC OFFICE USE ONLY Steel Pit RFAC RFAS | | | | | | |
| Date Received: Permit Num | ber: | Permi | it Date: Lease Inspection: | | | |



Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

March 28, 2008

Tisha Love Castelli Exploration, Inc. 6908 W 112TH OKLAHOMA CITY, OK73162-2976

Re: Drilling Pit Application Merrill Ranch Lease Well No. 1-4 NE/4 Sec.04-34S-16W Comanche County, Kansas

Dear Tisha Love:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level and 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 from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: kcc.ks.gov/conservation/forms/

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 District Office at (620) 225-8888.