For KCC Use:

| District | # |  |
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## **KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION**

Form C-1 October 2007 Form must be Typed Form must be Signed All blanks must be Filled

1022189

## NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

| Expected Spud Date:            |                   |                |                          | Spot Description:                                 |                   |
|--------------------------------|-------------------|----------------|--------------------------|---|-------------------|
|                                | month             | day            | year                     | (arara) Sec TwpS. F                               |                   |
| OPERATOR: License#             |                   |                |                          | feet from N / [                                   | S Line of Section |
| Name:                          |                   |                |                          | feet from L E / L                                 | W Line of Section |
| Address 1:                     |                   |                |                          | Is SECTION: Regular Irregular?                    |                   |
| Address 2:                     |                   |                |                          | (Note: Locate well on the Section Plat on rever   | rse side)         |
| City:                          | State:            | Zip:           | +                        | County:   |                   |
| Contact Person:                |                   |                |                          | Lease Name:                                       |                   |
| Phone:                         |                   |                |                          | Field Name:                                       |                   |
| CONTRACTOR: License#           |                   |                |                          | Is this a Prorated / Spaced Field?                | Yes No            |
| Name:                          |                   |                |                          | Target Formation(s):                              |                   |
| Well Drilled For:              | Well Class        |                | Equipment:               | Nearest Lease or unit boundary line (in footage): |                   |
|                                |                   | , i = 1        |                          | Ground Surface Elevation:                         | feet MSL          |
| Oil Enh Re                     |                   |                | Mud Rotary<br>Air Rotary | Water well within one-quarter mile:               | Yes No            |
|                                |                   |                | Cable                    | Public water supply well within one mile:         | Yes No            |
| Seismic ; # of                 |                   |                | Cable                    | Depth to bottom of fresh water:                   |                   |
| Other:                         |                   |                |                          | Depth to bottom of usable water:                  |                   |
|                                |                   |                |                          | Surface Pipe by Alternate:                        |                   |
| If OWWO: old well in           | formation as foll | ows:           |                          | Length of Surface Pipe Planned to be set:         |                   |
| Oneveter                       |                   |                |                          | Length of Conductor Pipe (if any):                |                   |
| Operator:<br>Well Name:        |                   |                |                          | Projected Total Depth:                            |                   |
| Original Completion Date       |                   |                |                          | Formation at Total Depth:                         |                   |
| original completion bat        |                   | original lotal | Doptii                   | Water Source for Drilling Operations:             |                   |
| Directional, Deviated or Horiz | zontal wellbore?  |                | Yes No                   | Well Farm Pond Other:                             |                   |
| If Yes, true vertical depth:   |                   |                |                          | DWR Permit #:                                     |                   |
| Bottom Hole Location:          |                   |                |                          | (Note: Apply for Permit with DWR )                | )                 |
| KCC DKT #:                     |                   |                |                          | Will Cores be taken?                              | Yes No            |
|                                |                   |                |                          | If Yes, proposed zone:                            |                   |
|                                |                   |                |                          | ii 163, pioposed 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.

### Submitted Electronically

|  | Remember to:   |
|--|--|
| For KCC Use ONLY   | <ul> <li>File Drill Pit Application (form CDP-1) with Intent to Drill;</li> </ul>  |
| API # 15   | - File Completion Form ACO-1 within 120 days of spud date;   |
| Conductor pipe required feet   | <ul> <li>File acreage attribution plat according to field proration orders;</li> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> </ul> |
| Minimum surface pipe required feet per ALT. I II   | - Submit plugging report (CP-4) after plugging is completed (within 60 days);  |
| Approved by:   | - Obtain written approval before disposing or injecting salt water.  |
| This authorization expires:           (This authorization void if drilling not started within 12 months of approval date.) | 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 Date:  |
| Spud date: Agent:  | Signature of Operator or Agent:  |



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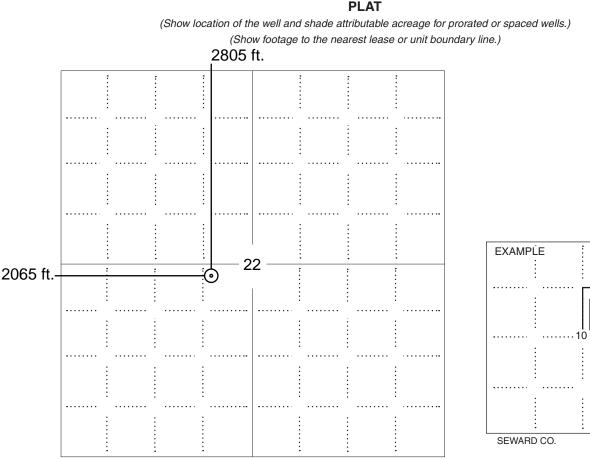
### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Side Two

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 E W   |
| Number of Acres attributable to well: | Is Section: Regular or Irregular                                   |
| QTR/QTR/QTR of acreage:               |  |
|                                       | If Section is Irregular, locate well from nearest corner boundary. |
|                                       | Section corner used: NE NW SE SW                                   |



PLAT

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, 4 sections, etc.
- 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

1022189

Form CDP-1 April 2004 Form must be Typed

## **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

| Operator Name:  |   | License Number:                        |   |  |
|---|---|--|---|--|
| Operator Address:   |   |  | 1   |  |
| 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 | Pit is:<br>Proposed<br>If Existing, date of<br>Pit capacity:<br>Area? Yes | Existing<br>constructed:<br>(bbls)     | Sec.       Twp.       R.       East       West         Feet from       North /       South Line of Section         Feet from       East       West       Line of Section         Courr       Courr       Courr         Chloride concentration:       mg/l |  |
| Is the bottom below ground level?   | Artificial Liner?   | No                                     | (For Emergency Pits and Settling Pits only)<br>How is the pit lined if a plastic liner is not used?   |  |
| Pit dimensions (all but working pits):  | Length (f   | eet)                                   | Width (feet) N/A: Steel Pits  |  |
| Depth from ground level to deepest point: (feet) No Pit   |   |  |   |  |
| material, thickness and installation procedure<br>Distance to nearest water well within one-mile  |   |  | ncluding any special monitoring.  |  |
| feet Depth of water wellfeet  |   | measu                                  | uredwell owner electric logKDWR   |  |
| Emergency, Settling and Burn Pits ONLY: Drilling, W   |   | Drilling, Worke                        | over and Haul-Off Pits ONLY:  |  |
| Producing Formation:  |   |  | al utilized in drilling/workover:   |  |
|   |   | Number of working pits to be utilized: |   |  |
| Does the slope from the tank battery allow all spilled fluids to  |   |  | procedure:  |  |
| flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. Submitted Electronically  |   |  |   |  |
|   | ксс   | OFFICE USE OI                          | NLY Steel Pit RFAC RFAS   |  |
| Date Received: Permit Num   | ber:  | Permi                                  | it Date: Lease Inspection: Yes No   |  |

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



September 11, 2008

Chris Martin Tailwater, Inc. 6421 AVONDALE DR STE 212 OKLAHOMA CITY, OK73116-6428

Re: Drilling Pit Application Kempnich South Lease Well No. 6-T SW/4 Sec.22-20S-20E Anderson County, Kansas

Dear Chris Martin:

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 the free fluids must be removed. The fluids are to be removed from the reserve pit 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) 432-2300 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) 432-2300.