For KCC Use:

Effective D	Date:
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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

1025734

NOTICE OF INTENT TO DRILL

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

month day year OPERATOR: License#	Expected Spud Date:	Spot Description:
Natires Address 1: Address 2: City: Contact Person: Phone: CONTRACTOR: License# Name: Well Drilled For: Well Drilled For: Well Class: Type Equipment: Oit Oit Enh Rec Infield Mud Rotary Disposal Wildcat Other: Operator: Well Name: Original Completion Date: Original Completion Date: Original Completion Date: Original Completion Date: Original Completion Class: Yes Nearest Lease or for Juling Operations: Well Partite or Firet Mala Directional, Deviated or Horizontal wellbore? Yes No Yes No Mell Class: Well Priled For: Well Mame: Operator: Well Name: Original Completion Date: Original Completion Date: Original Completion Contal wellbore? Yes No Well Farm Pond Other: Well Classie: Well Farm Pond Other: Well Crease No Water Source for Drilling Operations: Water Source for Drilling Operations: Well Farm Pond Other: Bottom Hole Location: KCC DKT #:	month day year OPERATOR: License#	Sec Twp S. R E W feet from N / S Line of Section
Address 2:		
City:		
Contact Person:		
Phone:	, ,	
CONTRACTOR: License#		
Name:		Field Name:
Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Other: Other Yes No Other: Other Seismic; # of Holes Other Other: Operator: Surface Pipe by Alternate: I II Vell Name: Original Completion Date: Original Total Depth: Projected Total Depth: Projected Total Depth: Directional, Deviated or Horizontal wellbore? Yes No Meare Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source for Drilling Operations: Water Source fo		Is this a Prorated / Spaced Field?
Wein Dataset of Difficult Wein Class. Type Eduption intervention Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Other: Other Depth to bottom of fresh water: Pool Ext. Other: Coll Other Depth to bottom of usable water: Depth to bottom of usable water: Operator: Well Name: Original Completion Date: Original Total Depth: Projected Total Depth: Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth: Yes No Bottom Hole Location: Yes No KCC DKT #: Yes No	Name:	Target Formation(s):
Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ;# of Holes Other Other: Depth to bottom of fresh water: Other: Depth to bottom of fresh water: Other: Depth to bottom of fresh water: Depth to bottom of susable water: Operator: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth:	Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary line (in footage):
Gas Storage Pool Ext. Air Rotary Disposal Wildcat Cable Seismic ;# of Holes Other Other:	Oil Enh Bec Infield Mud Botary	Ground Surface Elevation:feet MSL
Disposal Wildcat Cable Disposal Wildcat Cable Seismic ;# of Holes Other Other: Other: Diff OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Completion Date: Original Completion Date: Original Completion Date: Yes No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #: Vell Cores be taken? Public water supply well within one mile: Yes No Public water supply well within one mile: Other: Depth to bottom of fresh water: Depth to bottom of usable water: Depth to bottom of usable water: Surface Pipe by Alternate: I II Length of Conductor Pipe (if any): Projected Total Depth: Projected Total Depth: Projected Total Depth: Water Source for Drilling Operations: Well Farm Pond Other: Other: Well Cores be taken?		Water well within one-quarter mile:
Seismic ;# of Holes Other Other: Other Other: Depth to bottom of fresh water: Depth to bottom of usable water: Depth to bottom of usable water: Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: Coperator: Original Completion Date: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore? Yes If Yes, true vertical depth: Yes Bottom Hole Location: Yes KCC DKT #: Yes		Public water supply well within one mile:
Surface Pipe by Alternate: If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Completion Date: Original Completion Date: Original Total Depth: Projected Total Depth: Formation at Total Depth: Water Source for Drilling Operations: Well Farm Pond Other: Other: (Note: Apply for Permit with DWR) Will Cores be taken?		Depth to bottom of fresh water:
If OWWO: old well information as follows: Length of Surface Pipe Planned to be set: Operator:	Other:	Depth to bottom of usable water:
Operator:		Surface Pipe by Alternate: I II
Well Name:	If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Well Name:	Operator:	Length of Conductor Pipe (if any):
Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth:		Projected Total Depth:
Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth:	Original Completion Date: Original Total Depth:	Formation at Total Depth:
If Yes, true vertical depth:		
If Yes, true vertical depth:	Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
Bottom Hole Location: (Note: Apply for Permit with DWR) KCC DKT #: Will Cores be taken? Yes No	If Yes, true vertical depth:	
If Yes, proposed zone:	KCC DKT #:	Will Cores be taken?
		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.

Submitted Electronically

	— Remember to:
For KCC Use ONLY	 File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15	- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe requiredfeet	 File acreage attribution plat according to field proration orders; Notify appropriate district office 48 hours prior to workover or re-entry;
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:	- 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:



1025734

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Side Two

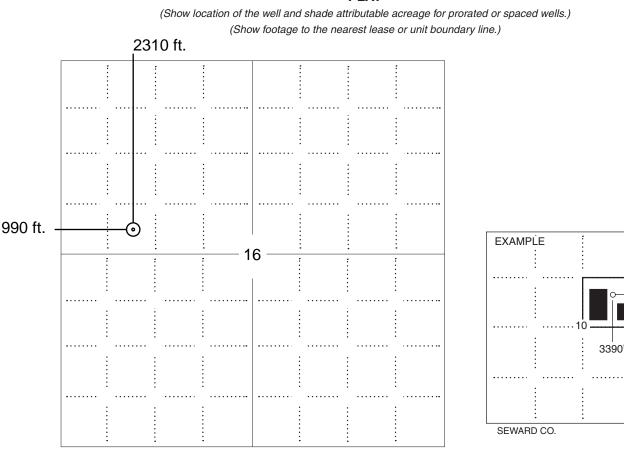
Plat of acreage attributable to a well in a prorated or spaced field

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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 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 gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and wells at the proposed acreage attribution unit for gas wells at the proposed acreage attribution unit for gas wells at the proposed acrea

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

Section corner used:	NE	NW	SE	SW

1980



PLAT

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

In plotting the proposed location of the well, you must show:

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- 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).
- 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).



OIL & GAS CONSERVATION DIVISION

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:	Pit is:		-		
Emergency Pit Burn Pit	Proposed	Existing	SecTwpR East West		
Settling Pit Drilling Pit	If Existing, date c	onstructed:	Feet from North / South Line of Sect		
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:	(bbls)	Feet from East / West Line of Sectio		
Is the pit located in a Sensitive Ground Water	Area? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)		
Is the bottom below ground level?	Artificial Liner?	No	How is the pit lined if a plastic liner is not used?		
Pit dimensions (all but working pits):	Length (fe	eet)	Width (feet) N/A: Steel Pits		
Depth fr	om ground level to d	eepest point:	(feet) No Pit		
Distance to nearest water well within one-mile of pit Depth to shallowest fresh waterfeet.					
feet Depth of water well	Source of info		iredwell owner electric logKDWR		
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:		
Producing Formation: Type of mate		Type of materia	erial utilized in drilling/workover:		
Number of producing wells on lease: Number of wo		Number of wor	rking pits to be utilized:		
Barrels of fluid produced daily: Abandor		Abandonment	procedure:		
Does the slope from the tank battery allow all spilled fluids to		be closed within 365 days of spud date.			
Submitted Electronically					
KCC OFFICE USE ONLY Steel Pit RFAC RFAS		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



February 16, 2009

Terry P. Bandy Bandy, Terry P. dba Te-Pe Oil & Gas PO BOX 522 CANTON, KS67428-0522

Re: Drilling Pit Application REESE Lease Well No. 4 NW/4 Sec.16-19S-09W Rice County, Kansas

Dear Terry P. Bandy:

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 within 72 hours 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 (316) 630-4000 when the fluids have been removed. Form CDP-5 (August 2004), Exploration and Production Waste Transfer, must be filed 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 (316) 630-4000.