

For KCC	Use:	
Effective	Date:	
District #		
0040		

# Kansas Corporation Commission Oil & Gas Conservation Division

Form C-1 October 2007 Form must be Typed

PERATOR: Liconse#	Expected Spud Date:	da:			_	Spot Description:
Section   Sect	month	day	year			Sec Twp S. R E \
arrow.    State   Zip	PERATOR: License#					
SECTION:   Regular   Iregular?					_	feet from E / W Line of Section
Wolf Prison:   State:   Zip:   #   County:   Lease Name:   Well #;   Teld Name:   Field Name:   Fi						Is SECTION: Regular Irregular?
State:   Zip:   +						(Note: Locate well on the Section Plat on reverse side)
Lease Name:	ty: State:	Zip:	+		_	•
Field Name:  Well Drilled For:  Well Class: Type Equipment:  Well Drilled For:  Well Class: Type Equipment:  Well Class: Type Equipment:  Well Class: Type Equipment:  Gas Storage Pool Ext. Air Rotary  Well will be of Holes Other:  Other:  Other:  Other:  Operator:  Work Name:  Operator:  Operator:  Well Cass: Type Equipment:  Original Completion Date:  Original Total Depth:  Formation al Total Depth:  Formation al Total Depth:  Formation al Total Depth:  Wall Farm Pond Other:  DWR Permit #:  Wall 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. is agreed that the following minimum requirements will be met:  1. Notify the appropriate district office prior to sputding 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 through all unconsolidated materials glue as minimum of 20 leaf prior to sput gling;  The appropriate district office will be notified prior will is either burderlying glore 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 sput date.  Or pursuant to Appendix "5" - Eastern Kanasas surface casing order #133,891-24, which applies to the KCC District 3 area, a	ontact Person:				_	
Striss a Prorated / Spaced Field?   String   S	none:				_	
Target Formation(s):   Nearest Lass or unit boundary line (in footage):   Storage   Pool Ext.   Air Rotary   Disposal   Wildcat   Cable   Disposal   Wildcat   Disposal	ONTRACTOR: License#				_	
Well Drilled For:   Well Class:   Type Equipment:   Ground Surface Elevation:   Ground Surface Ploe Panace Elevation:   Ground Surface Eleva	ame:				_	
Ground Surface Elevation:	Wall Drillad Fare Wall Classe	Tim	o Equipments			
Gas   Storage   Pool Ext.   Air Rotary   Storage   Pool Ext.   Air Rotary   Pool Ext.   Air Ro		Тур	1			
Gas   Storage   Pool Ext.   Air Hotary   Disposal   Wildcat   Cable   Depth to bottom of fresh water:   Depth to bottom of tresh water:   Depth to Bottom of washe water:   Surface Pipe by Alternate:   I   II   Length of Surface Pipe Planned to be set:   Length of Surface Pipe by Alternate:   I   II   Length of Surface Pipe Planned to be set:   Length of Surface Pipe Planned to be set:   Length of Surface Pipe by Alternate:   I   II   Length of Surface Pipe Planned to be set:   Length of Surface Pipe Planned to Projected Planned		_	i ,			
Depth to bottom of fresh water:   Depth to bottom of usable water   Depth to be water   Depth to bottom of the water   Depth to bottom of usable water   Depth to bottom of usabl		_	4			·
Depth to bottom of usable water:    Depth to bottom of usable water:			Cable			Depth to bottom of fresh water:
Surface Pipe by Alternate:						Depth to bottom of usable water:
Length of Surface Pipe Planned to be set:    Coperator:						
Deperator: Well Name: Original Completion Date: Original Total Depth: Projected Total Depth: Formation at Total Depth: Formation at Total Depth: Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #: Water Source for Drilling Operations: (Note: Apply for Permit with DWR   )  Will Cores be taken? If Yes, proposed zone: Well Farm Pond Other: Well Farm Pon	If OWWO: old well information as follo	ows:				
Well Name: Original Completion Date: Original Total Depth: Poriginal Completion Date: Original Total Depth: Poriginal Completion Date: Original Total Depth: Pormation at Total Depth: Water Source for Drilling Operations: Water Source for Permit ##. Water Source	Operator					· ·
Formation at Total Depth: water Source for Drilling Operations: wettion Hole Location: DCD EXT #:  ### Wetting Formation at Total Depth:    Wetting Formation at Total Depth:						Projected Total Depth:
Water Source for Drilling Operations:  Water Source for Drilling Operation of the Suble Devented in:  Will Cores be taken?  Water Source for Brill With N.S.A. 55 et. seq.  Seq. Seq. Seq. Seq. Seq. Seq. Seq. Seq.						Formation at Total Depth:
rectional, Deviated or Horizontal wellbore?  Yes No  Well Farm Pond Other:  DWR Permit #:  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.  Is agreed that the following minimum requirements will be met:  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.  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;  The appropriate district office will be notified before well is either plugged or production casing is cemented in;  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.  **Remember to:**  File Completion Form ACO-1 with Intent to Drill;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File acreage attribution plat according to field proration orders;  Notify appropriate dist	- 3	3				·
Will Cores be taken?    Will Cores be taken?   Yes   Will Cores be taken?   Yes   Yes   Will Cores be taken?   Yes   Yes				No	)	
AFFIDAVIT ne undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. 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.  **Bemember to:** - File Completion Form ACO-1 with Intent to Drill; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120 days of spud date; - File Completion Form ACO-1 within 120	Yes, true vertical depth:				_	
AFFIDAVIT  ne undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. 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 appropriate district office prior to spudding of well;  2. A copy of the appropriate district office of the prior to spudding of well;  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.  **Price Cuse ONLY**  API # 15 - File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Form ACO-1 within 120 days of spud date;  File Completion Fo					_	( <b>Note:</b> Apply for Permit with DWR)
AFFIDAVIT  ne undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.  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 appropriate district office prior to spudding of well;  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.  **Bemember to:**  - File Drill Pit Application (form CDP-1) with Intent to Drill;  - 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 (within 60 days);	CC DKT #:				_	Will Cores be taken?
ne undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.  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.  bmitted Electronically  Remember to:  - File Drill Pit Application (form CDP-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;  - Notify appropriate district office 48 hours prior to workover or re-entry;  - Submit plugging report (CP-4) after plugging is completed (within 60 days);						If Yes, proposed zone:
bmitted Electronically  For KCC Use ONLY  API # 15	<ol> <li>is agreed that the following minimum requ</li> <li>Notify the appropriate district office p</li> <li>A copy of the approved notice of inte</li> <li>The minimum amount of surface pipe through all unconsolidated materials</li> <li>If the well is dry hole, an agreement I</li> <li>The appropriate district office will be</li> <li>If an ALTERNATE II COMPLETION, Or pursuant to Appendix "B" - Easter</li> </ol>	uirements worior to spuce nt to drill she as specific plus a minimulative notified beforeduction production profuss as si	ill be met:  Iding of well;  Itali be posted  Itali be posted  Itali be osted  Itali be osted	on ea	ach of the distriction of the di	drilling rig; y circulating cement to the top; in all cases surface pipe shall be set underlying formation. ct office on plug length and placement is necessary prior to plugging; d or production casing is cemented in; from below any usable water to surface within 120 DAYS of spud date. 3,891-C, which applies to the KCC District 3 area, alternate II cementing
Minimum surface pipe requiredfeet per ALT. I II - Submit plugging report (CP-4) after plugging is completed (within 60 days);	For KCC Use ONLY API # 15 -				_	<ul> <li>File Drill Pit Application (form CDP-1) with Intent to Drill;</li> <li>File Completion Form ACO-1 within 120 days of spud date;</li> <li>File acreage attribution plat according to field proration orders;</li> </ul>
Obtain within annually before dispersion on injecting cold water						
			•	•	"	
	Approved by:				-	- If this permit has expired (See: authorized expiration date) please

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

\_ Agent: \_

Spud date: \_

check the box below and return to the address below.

Well Not Drilled - Permit Expired Date:

Signature of Operator or Agent:



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

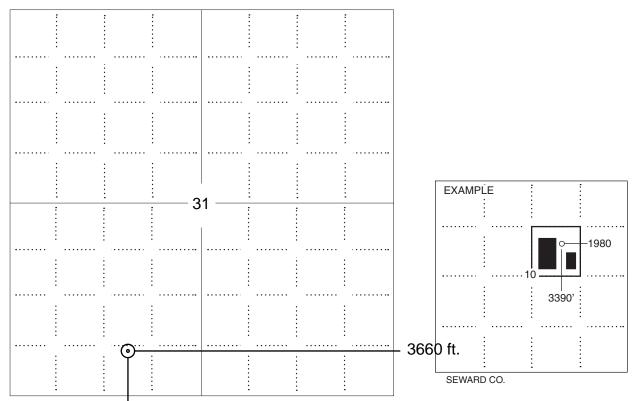
Plat of acreage attributable to a well in a prorated or spaced field

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.

Location of Well: County:
feet from N / S Line of Section
feet from E / W Line of Section
Sec Twp S. R
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.

# 615 ft.

#### 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

037027

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				
		ccgy,				
Distance to nearest water well within one-mile	of pit	Depth to shallo	west fresh waterfeet.			
feet Depth of water well	feet		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:  Yes No			



# NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.



April 13, 2010

DOUGLAS G. EVANS Blue Diamond Holdings, LLC 4595 K-33 Hwy PO BOX 128 WELLSVILLE, KS 66092

Re: Drilling Pit Application PAULSEN BI-4 SW/4 Sec.31-16S-24E Miami County, Kansas

# Dear DOUGLAS G. EVANS:

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 2008), Exploration and Production Waste Transfer, through SOLAR 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 District Office at (620) 432-2300.