

Well will not be drilled or Permit Expired Date: _

Signature of Operator or Agent:

For KC	C Use:			
Effective	Date:			
District #	#			
SGA?	Yes	No		

SGA?

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 Form must be Typed Form must be Signed All blanks must be Filled

NOTICE OF INTENT TO DRILL

Expected Spud Date:	Spot Description:				
monur day year					
PERATOR: License#	feet from N / S Line of Section				
lame:	feet from E / W Line of Section				
ddress 1:	Is SECTION: Regular Irregular?				
ddress 2:					
State:	County:				
Contact Person:	Lease Name: Well #:				
hone:	Field Name:				
ONTRACTOR: License#	Is this a Prorated / Spaced Field?				
ame:	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	Water well within one-quarter mile:				
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile:				
Disposal Wildcat Cable Seismic ; # of Holes Other	Depth to bottom of fresh water:				
Other:	Depth to bottom of usable water:				
	Surface Pipe by Alternate: I				
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:				
Operator:					
Well Name:	Projected Total Depth:				
Original Completion Date: Original Total Depth:	Formation at Total Depth:				
- · · g······ - · · · · · · · · · · · ·	Water Source for Drilling Operations:				
Directional, Deviated or Horizontal wellbore? Yes No	Well Farm Pond Other:				
f Yes, true vertical depth:	DWR Permit #:				
Bottom Hole Location:	(Note: Apply for Permit with DWR)				
CCC DKT #:					
CCC DKT #:					
	Will Cores be taken? Yes N If Yes, proposed zone:				
AF	Will Cores be taken? If Yes, proposed zone: FIDAVIT				
AF The undersigned hereby affirms that the drilling, completion and eventual p	Will Cores be taken? If Yes, proposed zone: FIDAVIT				
The undersigned hereby affirms that the drilling, completion and eventual p t is agreed that the following minimum requirements will be met:	Will Cores be taken? Yes N If Yes, proposed zone:				
AF The undersigned hereby affirms that the drilling, completion and eventual p t is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well;	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq.				
AF The undersigned hereby affirms that the drilling, completion and eventual p t is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq.				
AF The undersigned hereby affirms that the drilling, completion and eventual p t is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on eac 3. The minimum amount of surface pipe as specified below <i>shall be se</i>	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. th drilling rig; t by circulating cement to the top; in all cases surface pipe shall be set				
AF The undersigned hereby affirms that the drilling, completion and eventual p t is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on eac 3. The minimum amount of surface pipe as specified below <i>shall be se</i> through all unconsolidated materials plus a minimum of 20 feet into the	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. th drilling rig; t by circulating cement to the top; in all cases surface pipe shall be set				
The undersigned hereby affirms that the drilling, completion and eventual pt is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the district office prior to spudding of well; 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the district office will be notified before well is either pluging.	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. th drilling rig; t by circulating cement to the top; in all cases surface pipe shall be set ne underlying formation. strict office on plug length and placement is necessary prior to plugging; aged or production casing is cemented in;				
The undersigned hereby affirms that the drilling, completion and eventual pt is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the district office prior to spudding of well; 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plug for the appropriate district office will be notified before shall be cement.	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. Ith drilling rig; If by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. In this control of the state of the state of the plugging; and the plugging; and the plugging; and the plugging is compared in; and the plugging; and the plugging is compared to the plugging is com				
The undersigned hereby affirms that the drilling, completion and eventual pt is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on eac. 3. The minimum amount of surface pipe as specified below <i>shall be se</i> through all unconsolidated materials plus a minimum of 20 feet into the second of the s	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. It drilling rig; If by circulating cement to the top; in all cases surface pipe shall be set to enderlying formation. In this content is necessary prior to plugging; led or production casing is cemented in; led from below any usable water to surface within 120 DAYS of spud date. It 33,891-C, which applies to the KCC District 3 area, alternate II cementing				
The undersigned hereby affirms that the drilling, completion and eventual pt is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on eac. 3. The minimum amount of surface pipe as specified below <i>shall be se</i> through all unconsolidated materials plus a minimum of 20 feet into the second of the s	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. Ith drilling rig; If by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. In this control of the state of the state of the plugging; and the plugging; and the plugging; and the plugging is compared in; and the plugging; and the plugging is compared to the plugging is com				
AF The undersigned hereby affirms that the drilling, completion and eventual p t is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on eac 3. The minimum amount of surface pipe as specified below <i>shall be se</i> through all unconsolidated materials plus a minimum of 20 feet into tl 4. If the well is dry hole, an agreement between the operator and the dis 5. The appropriate district office will be notified before well is either plug 6. If an ALTERNATE II COMPLETION, production pipe shall be cement Or pursuant to Appendix "B" - Eastern Kansas surface casing order #	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. th drilling rig; they circulating cement to the top; in all cases surface pipe shall be set ne underlying formation. Strict office on plug length and placement is necessary prior to plugging; aged or production casing is cemented in; and from below any usable water to surface within 120 DAYS of spud date. 133,891-C, which applies to the KCC District 3 area, alternate II cementing				
The undersigned hereby affirms that the drilling, completion and eventual provided is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the approved notice of intent to drill <i>shall be</i> posted on each and the district office will be a specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plug to the specified before will be cement or pursuant to Appendix "B" - Eastern Kansas surface casing order from the must be completed within 30 days of the spud date or the well shall be	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. It drilling rig; If by circulating cement to the top; in all cases surface pipe shall be set to enderlying formation. In this content is necessary prior to plugging; leged or production casing is cemented in; led from below any usable water to surface within 120 DAYS of spud date. It 33,891-C, which applies to the KCC District 3 area, alternate II cementing				
The undersigned hereby affirms that the drilling, completion and eventual provided is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the approved notice of intent to drill <i>shall be</i> posted on each and the district office will be a specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plug to the specified before will be cement or pursuant to Appendix "B" - Eastern Kansas surface casing order from the must be completed within 30 days of the spud date or the well shall be	Will Cores be taken? If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. It drilling rig; If by circulating cement to the top; in all cases surface pipe shall be set to enderlying formation. In this content is necessary prior to plugging; leged or production casing is cemented in; led from below any usable water to surface within 120 DAYS of spud date. It 33,891-C, which applies to the KCC District 3 area, alternate II cementing				
The undersigned hereby affirms that the drilling, completion and eventual provise agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the district office prior to spudding of well; 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set int	If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. If yes proposed zone: If Yes, prop				
The undersigned hereby affirms that the drilling, completion and eventual process agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and a specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plug of the appropriate district office will be notified before well is either plug of the spuddate or the well shall be completed within 30 days of the spuddate or the well shall be completed. **Description** **Description*	If Yes, proposed zone: FIDAVIT lugging of this well will comply with K.S.A. 55 et. seq. If yes proposed zone: If yes, proposed zone: It by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. In strict office on plug length and placement is necessary prior to plugging; liged or production casing is cemented in; led from below any usable water to surface within 120 DAYS of spud date. If 33,891-C, which applies to the KCC District 3 area, alternate II cementing lie plugged. In all cases, NOTIFY district office prior to any cementing. Remember to: File Certification of Compliance with the Kansas Surface Owner Notification				
The undersigned hereby affirms that the drilling, completion and eventual provided is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the approved notice of intent to drill <i>shall be</i> posted on each and the appropriate of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set of th	If Yes, proposed zone: If Yes				
The undersigned hereby affirms that the drilling, completion and eventual provided is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the approved notice of intent to drill <i>shall be</i> posted on each and the district office will be a specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plug of the specified before will be cement or pursuant to Appendix "B" - Eastern Kansas surface casing order from the well shall be completed within 30 days of the spud date or the well shall be submitted Electronically For KCC Use ONLY API # 15 -	If Yes, proposed zone: If Yes				
The undersigned hereby affirms that the drilling, completion and eventual pris agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the district office prior to spudding of well; 3. The minimum amount of surface pipe as specified below <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set into	If Yes, proposed zone: If Yes				
The undersigned hereby affirms that the drilling, completion and eventual process agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and a specified below <i>shall be</i> see through all unconsolidated materials plus a minimum of 20 feet into the second and the district office will be notified before well is either plug for the appropriate district office will be notified before well is either plug for pursuant to Appendix "B" - Eastern Kansas surface casing order from must be completed within 30 days of the spud date or the well shall be submitted Electronically For KCC Use ONLY API # 15	If Yes, proposed zone: If Yes, proposed zone: If Yes, proposed zone: If Yes, proposed zone: If Indiana Ind				
The undersigned hereby affirms that the drilling, completion and eventual provided is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and a copy of the approved notice of intent to drill <i>shall be</i> posted on each and a copy of the approved notice of intent to drill <i>shall be</i> posted on each and a copy of the approved notice of intent to drill <i>shall be</i> posted on each and a copy of the appropriate district office prior and the district office will be notified before well is either plugible. The appropriate district office will be notified before well is either plugible. If an ALTERNATE II COMPLETION, production pipe shall be cement or pursuant to Appendix "B" - Eastern Kansas surface casing order from the well shall be completed within 30 days of the spudicate or the well shall be conductor pipe required	If Yes, proposed zone: If Yes				
The undersigned hereby affirms that the drilling, completion and eventual prise agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the approved in the search of the approved in the search of the search	If Yes, proposed zone: If Yes				
The undersigned hereby affirms that the drilling, completion and eventual pt is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on eac. 3. The minimum amount of surface pipe as specified below <i>shall be se</i> through all unconsolidated materials plus a minimum of 20 feet into the through all unconsolidated materials plus a minimum of 20 feet into the second of the well is dry hole, an agreement between the operator and the district office will be notified before well is either plus of the spropriate district office will be notified before well is either plus of the second of the second of the specific plus of the spud date or the well shall be completed within 30 days of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the well shall be second of the spud date or the spud date or the well shall be second of the spud date or	If Yes, proposed zone: If yes				
The undersigned hereby affirms that the drilling, completion and eventual pris agreed that the following minimum requirements will be met: 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each and the approved in the search of the approved in the search of the search o	Will Cores be taken? If Yes, proposed zone: SFIDAVIT Itugging of this well will comply with K.S.A. 55 et. seq. Sch drilling rig; If by circulating cement to the top; in all cases surface pipe shall be set to underlying formation. Strict office on plug length and placement is necessary prior to plugging; aged or production casing is cemented in; aged from below any usable water to surface within 120 DAYS of spud date. 1133,891-C, which applies to the KCC District 3 area, alternate II cementing the plugged. In all cases, NOTIFY district office prior to any cementing. Remember to: File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; 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; Submit plugging report (CP-4) after plugging is completed (within 60 days); Obtain written approval before disposing or injecting salt water.				



feet from N / S Line of Section

feet from E / W Line of Section

For KCC Use ONLY	
API # 15	

Well Number:

Lease: _____

Field:

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Location of Well: County: ___

Number of	Acres attr	ibutable to	well:				Is Section:	Regular or	Irregular	
QTR/QTR/	/QTR/QTR	of acreage	e:		·		If Section is	Irregular, locate	well from nearest corner bo	undary.
					electrical line	s, as requir	se or unit bour	sas Surface Owne	e predicted locations of r Notice Act (House Bill 2032)	
250 ft. ·	375	ft.							LEGEND Well Location Tank Battery Location Pipeline Location Electric Line Location Lease Road Location	ı
				36	······································			EXAMF	PLE O-1	 1980' FSL
						<u> </u>		SEWARD C	CO. 3390' FEL	

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.

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

- 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).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

044574

Form CDP-1
May 2010
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)	Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls)		SecTwpR East WestFeet from North / South Line of SectionFeet from East / West Line of SectionCounty		
Is the pit located in a Sensitive Ground Water A	rea? 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 (fee	et)	Width (feet) N/A: Steel Pits		
If the pit is lined give a brief description of the li material, thickness and installation procedure.	om ground level to dee	Describe proce	dures for periodic maintenance and determining any special monitoring.		
Distance to nearest water well within one-mile	of pit:	Depth to shallo Source of infor	west fresh water feet. mation:		
feet Depth of water well	feet	measured	well owner electric log KDWR		
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 s flow into the pit? Yes No Submitted Electronically		Type of materia Number of work Abandonment p Drill pits must b	over and Haul-Off Pits ONLY: all utilized in drilling/workover: king pits to be utilized: procedure: de closed within 365 days of spud date.		
KCC OFFICE USE ONLY					
Date Received: Permit Number:			Liner Steel Pit RFAC RFAS t Date: Lease Inspection: Yes No		



Kansas Corporation Commission Oil & Gas Conservation Division

1044574

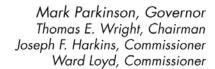
Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

CERTIFICATION OF COMPLIANCE WITH THE KANSAS SURFACE OWNER NOTIFICATION ACT

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application).

Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (C	Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)				
OPERATOR: License #	Well Location:				
Name:	SecTwpS. R				
Address 1:	County:				
Address 2:	Lease Name: Well #:				
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of				
Contact Person:	the lease below:				
Phone: () Fax: ()					
Email Address:					
Surface Owner Information:					
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional				
Address 1:	sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the				
Address 2:	county, and in the real estate property tax records of the county treasurer.				
City: State: Zip:+					
the KCC with a plat showing the predicted locations of lease roads, tank	dic Protection Borehole Intent), you must supply the surface owners and batteries, pipelines, and electrical lines. The locations shown on the plat in the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.				
Select one of the following:					
owner(s) of the land upon which the subject well is or will be loc CP-1 that I am filing in connection with this form; 2) if the form be form; and 3) my operator name, address, phone number, fax, and I have not provided this information to the surface owner(s). I ack KCC will be required to send this information to the surface owner(s).	cknowledge that, because I have not provided this information, the rner(s). To mitigate the additional cost of the KCC performing this				
task, I acknowledge that I am being charged a \$30.00 handling If choosing the second option, submit payment of the \$30.00 handling form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-	fee with this form. If the fee is not received with this form, the KSONA-1				
Submitted Electronically	_				





September 20, 2010

Lee Francis or Wade Cagle Orca Operating Company LLC 427 S. BOSTON, STE 929 TULSA, OK 74103

Re: Drilling Pit Application Alfred 1-36H NW/4 Sec.36-19S-01W McPherson County, Kansas

Dear Lee Francis or Wade Cagle:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite or native clay, 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 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. Please file form CDP-5 (August 2008), Exploration and Production Waste Transfer, through KOLAR 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 (316) 630-4000.