



For KCC Use:
 Effective Date: _____
 District # _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1150335
 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

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

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: _____
month day year

OPERATOR: License# _____
 Name: _____
 Address 1: _____
 Address 2: _____
 City: _____ State: _____ Zip: _____ + _____
 Contact Person: _____
 Phone: _____

CONTRACTOR: License# _____
 Name: _____

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other: _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable
<input type="checkbox"/> If OWWO: old well information as follows:		

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot Description: _____
 _____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ E W
(Q/Q/Q/Q) _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: _____
 Lease Name: _____ Well #: _____

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____
 Nearest Lease or unit boundary line (in footage): _____

Ground Surface Elevation: _____ feet MSL
 Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____
 Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____
 Length of Conductor Pipe (if any): _____

Projected Total Depth: _____
 Formation at Total Depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other: _____

DWR Permit #: _____
 (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 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

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

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

Spud date: _____ Agent: _____

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.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: _____
 Signature of Operator or Agent: _____

W

For KCC Use ONLY

API # 15 - _____

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.

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - _____ - _____ - _____

Location of Well: County: _____

_____ feet from N / S Line of Section

_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ E W

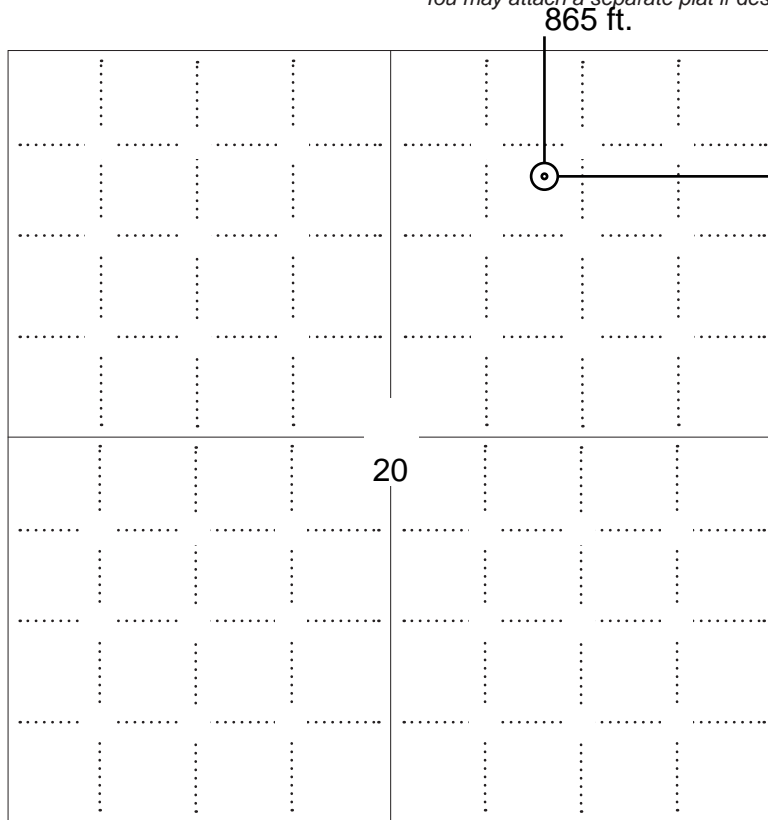
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



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

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: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? _____			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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 spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		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.	
Submitted Electronically			

KCC OFFICE USE ONLY

Liner Steel Pit RFAC RFAS

Date Received: _____ Permit Number: _____ Permit Date: _____ Lease Inspection: Yes No



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 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # _____
Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____
Contact Person: _____
Phone: (_____) _____ Fax: (_____) _____
Email Address: _____

Well Location:
____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ East West
County: _____
Lease Name: _____ Well #: _____

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: _____
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional 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 county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

Submitted Electronically



PostRock

AUTHORIZATION FOR EXPENDITURE - PROJECT REQUEST FORM

D13 / 57

COMPANY	PostRock MidContinent, LLC	PROJECT AFE #	D13 / 57
SSI #	636750	PROJECT TYPE	
WELL NAME	STICH, WILLIAM A 20-24	CAPITAL	X
PHYSICAL LOCATION	NW NE SEC 20 28S-19E	OPERATING	
COUNTY	NEOSHO	SUPPLEMENTAL	
PROVINCE / STATE	KS	BUDGET GROUP	CB NEW DRILL
PROJECT TYPE	DRILLING		

PROJECT DESCRIPTION / PURPOSE:

The PostRock Development Team recommends the drilling and completion of the Stich, William A 20-24 as an injector well in the Stich oil field. After the initial drilling and completion of several wells in the oil zone, oil volumes showed productive enough to continue to expand. To increase the daily volume of the wells along with increasing the overall EUR from the zone, it was decided to drill a water injection well into the formation and test if a waterflood would prove beneficial for the area.

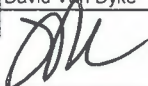

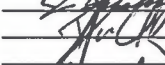
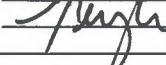
The injector will be one of two injectors in the field that are in a inverted 5-spot pattern. The injectors are lined down the middle of the thickest section to insure maximum sweep of oil.

The injection well will drilled and cased with 5.5" casing and have lined 2 7/8" tubing with a nickel packer. The injection lines will be 3/4" Schedule 120 PVC pipe; the PVC pipe is capable of pressures up to 770 psi (475 psi required) and costs less than \$1.00 per foot. The injection line will be connected to a manifold where all the injectors and any additional future injection wells can be added and a metering valve will be used to control the flow to the individual wells. The injection pump will be a Kimray glycol pump; the pumps are capable of moving the low volumes at the high pressures required.

Economics were run assuing the 5-acre, 5-spot waterflood injector would add 2,000 bbls or reserves to the area over 8 years.

ECONOMIC ANALYSIS		TOTAL COST	WORKING INTEREST	NET COST TO PSTR
Dev. Cost Gross	\$2.80 \$ / Net	\$ 73,187.46	100.0%	\$ 73,187.46
IRR	72.13% %	Distribution List:		
Undiscounted Payout	1.64 years	Terry Carter	Troy Combs	Linda Mitchell
PV10 / Investment	1.29	Clark Edwards	Jennifer Beal	Larry Graham
Cumulative Cash Flow	\$205,076.00	Jeff Buterbaugh	Michael Cassillo	Johnathan Niccum
Price Deck	June NYMEX	David Van Dyke	Doug Klaassen	Jenae Judge
		Clayton Deering	Mark Garretson	
		Marvin Lacy	Janet Hollister	

RESERVE REPORT INFO	
Total Reserves	5.811 MBBLs
Type Curve	CB Waterflood

PREPARED BY:	David Van Dyke	APPROVALS:	DATE:
ACCOUNTING REVIEW	 6/27	Initiator:	6-27-13
Reviewed by:			6/27/13
COMMENTS:			6-27-13
			6-27-13



PostRock

AUTHORIZATION FOR EXPENDITURE - PROJECT COST FORM

COMPANY	PostRock MidContinent, LLC	DATE:	6/24/2013
SSI #	636750		
WELL NAME	STICH, WILLIAM A 20-24		
PHYSICAL LOCATION	NW NE SEC 20 28S-19E		
COUNTY	NEOSHO		
PROVINCE / STATE	KS		
PROJECT TYPE	DRILLING		

ACCOUNTING CODE	CATEGORY NAME	CATEGORY COST
101	Drilling Service	\$11,038.32
105	Surface Damages	\$492.42
107	Location Preparation	\$3,958.31
116	Casing Surface	\$462.47
201	Completion Service	\$27,074.35
209	Contractor Flowline	\$3,148.75
211	Downhole Equipment	\$8,760.48
212	Electrical Equipment	\$4,967.99
213	Flowline Materials	\$2,500.00
215	Fence & Gates	\$516.74
216	Wellhead Equipment	\$10,000.00
243	Flowline ROW/Easement	\$267.63
	AFE Costs Total	\$73,187.46
	LOE Costs Total	\$0.00
	TOTAL COST	\$73,187.46

STICH WILLIAM A 20-24
636750

DATE : 06/26/2013
TIME : 16:37:59
DBS : PSTR
SETTINGS : PSTRO613
SCENARIO : PSTRO613

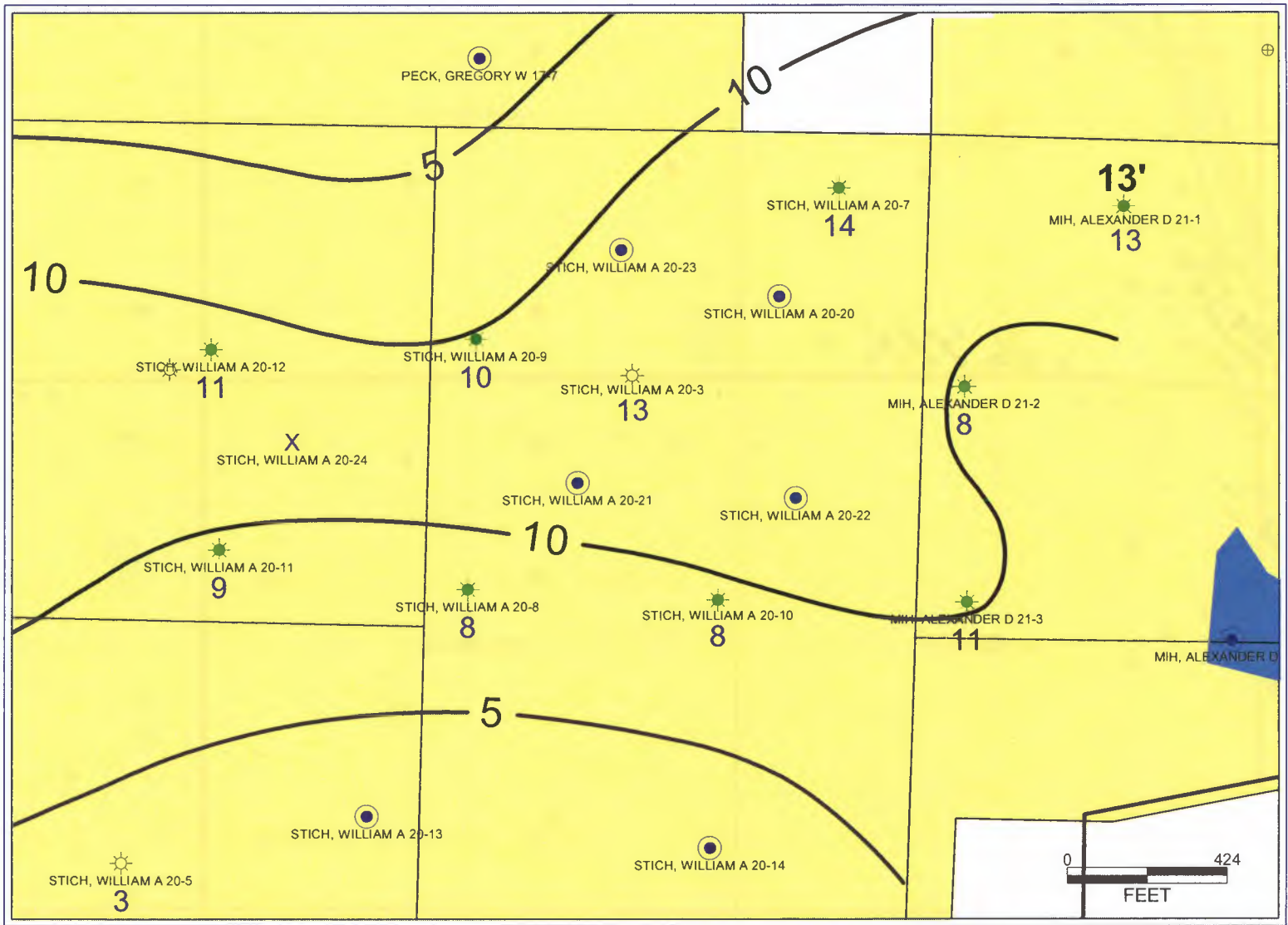
RESERVES AND ECONOMICS

AS OF DATE: 06/2013

---END-- MO-YEAR	GROSS OIL PRODUCTION ---MMBLS---	GROSS GAS PRODUCTION ---MMCF---	NET OIL PRODUCTION ---MMBLS---	NET GAS PRODUCTION ---MMCF---	NET OIL PRICE ---\$/BBL---	NET GAS PRICE ---\$/MCF---	NET OIL SALES ---M\$---	NET GAS SALES ---M\$---	TOTAL NET SALES ---M\$---
06-2013	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
07-2013	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
08-2013	0.174	0.000	0.146	0.000	86.000	0.000	12.536	0.000	12.536
09-2013	0.135	0.000	0.113	0.000	86.000	0.000	9.697	0.000	9.697
10-2013	0.104	0.000	0.087	0.000	86.000	0.000	7.501	0.000	7.501
11-2013	0.081	0.000	0.067	0.000	86.000	0.000	5.802	0.000	5.802
12-2013	0.062	0.000	0.052	0.000	86.000	0.000	4.488	0.000	4.488
12-2014	0.569	0.000	0.476	0.000	83.000	0.000	39.494	0.000	39.494
12-2015	0.452	0.000	0.378	0.000	80.000	0.000	30.215	0.000	30.215
12-2016	0.381	0.000	0.318	0.000	78.000	0.000	24.838	0.000	24.838
12-2017	0.333	0.000	0.278	0.000	77.000	0.000	21.411	0.000	21.411
12-2018	0.297	0.000	0.248	0.000	76.000	0.000	18.884	0.000	18.884
12-2019	0.270	0.000	0.226	0.000	75.000	0.000	16.927	0.000	16.927
12-2020	0.248	0.000	0.208	0.000	75.000	0.000	15.563	0.000	15.563
12-2021	0.230	0.000	0.193	0.000	75.000	0.000	14.444	0.000	14.444
S TOT	3.337	0.000	2.790	0.000	79.507	0.000	221.800	0.000	221.800
AFTER	2.474	0.000	2.069	0.000	75.000	0.000	155.145	0.000	155.145
TOTAL	5.811	0.000	4.858	0.000	77.588	0.000	376.945	0.000	376.945

---END-- MO-YEAR	AD VALOREM TAX ---M\$---	PRODUCTION TAX ---M\$---	DIRECT OPER EXPENSE ---M\$---	INTEREST PAID ---M\$---	CAPITAL REPAYMENT ---M\$---	EQUITY INVESTMENT ---M\$---	FUTURE NET CASHFLOW ---M\$---	CUMULATIVE CASHFLOW ---M\$---	CUM. DISC. CASHFLOW ---M\$---
06-2013	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
07-2013	0.000	0.000	0.000	0.000	0.000	73.187	-73.187	-73.187	-72.608
08-2013	0.188	0.325	0.273	0.000	0.000	0.000	11.750	-61.437	-61.089
09-2013	0.145	0.251	0.273	0.000	0.000	0.000	9.027	-52.410	-52.309
10-2013	0.113	0.194	0.273	0.000	0.000	0.000	6.921	-45.489	-45.632
11-2013	0.087	0.150	0.273	0.000	0.000	0.000	5.292	-40.197	-40.566
12-2013	0.067	0.116	0.273	0.000	0.000	0.000	4.031	-36.166	-36.738
12-2014	0.592	1.023	3.276	0.000	0.000	0.000	34.603	-1.563	-5.444
12-2015	0.453	0.783	3.276	0.000	0.000	0.000	25.703	24.140	15.675
12-2016	0.373	0.643	3.276	0.000	0.000	0.000	20.546	44.686	31.016
12-2017	0.321	0.555	3.276	0.000	0.000	0.000	17.259	61.945	42.729
12-2018	0.263	0.489	3.276	0.000	0.000	0.000	14.836	76.781	51.881
12-2019	0.254	0.438	3.276	0.000	0.000	0.000	12.959	89.740	59.147
12-2020	0.233	0.403	3.276	0.000	0.000	0.000	11.650	101.391	65.085
12-2021	0.217	0.374	3.276	0.000	0.000	0.000	10.578	111.968	69.986
S TOT	3.327	5.745	27.573	0.000	0.000	73.187	111.968	111.968	69.986
AFTER	2.327	4.018	55.692	0.000	0.000	0.000	93.108	205.076	94.079
TOTAL	5.654	9.763	83.265	0.000	0.000	73.187	205.076	205.076	94.079

	OIL	GAS		P.W. %	P.W., M\$
GROSS WELLS	1.0	0.0	LIFE, YRS.	5.00	133.721
GROSS ULT., MB & MMF	5.811	0.000	DISCOUNT %	8.00	107.520
GROSS CUM., MB & MMF	0.000	0.000	UNDISCOUNTED PAYOUT, YRS.	9.00	100.471
GROSS RES., MB & MMF	5.811	0.000	DISCOUNTED PAYOUT, YRS.	10.00	94.079
NET RES., MB & MMF	4.858	0.000	UNDISCOUNTED NET/INVEST.	15.00	69.451
NET REVENUE, M\$	376.945	0.000	DISCOUNTED NET/INVEST.	20.00	52.768
INITIAL PRICE, \$	86.000	0.000	RATE-OF-RETURN, PCT.	30.00	31.550
INITIAL N.I., PCT.	83.600	0.000	INITIAL W.I., PCT.	40.00	18.488
				100.00	-12.018
				300.00	-30.953





Well Proposal

6/18/2013

YEAR 2013	SSI NUMBER 636750	API NUMBER	GID NUMBER 20100794	PSTR LEASE 479	EXPIRATION DATE HBP
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PROSPECT AREA Thayer	WELL TYPE			
WELL NAME STICH, WILLIAM A 20-24	DEV Y	2013	SWD 0	

WELL LOCATION					
COUNTY, ST	SEC	TWP	RGE	LOC QTR	LOC FTG
NEOSHO COUNTY, KS	20	28S	19E	NW NE	865 FNL & 1590 FEL

OBJECTIVES CATTLEMAN 650 FT	ELOGS REQUIRED GR/CNDL/DIL ALL LOGS. TD-SURFACE CASING	GAS CONTENT DATA REQUIRED N
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TOPO/SURVEY EVALUATION 920 FT	TOTAL DEPTH - PROJECTED 770 FT	TD PERMITTED 1000 FT
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SURFACE CASING 8 5/8 @ 20 FT+/-	PROD CASING 5.5"	HOLE SIZE 7 7/8"	POOLING LSE & POOL	PHASE 2013:PH02013
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SUMMARY 0
COMMENTS Injection Well

LAND

IS THIS LOCATION AT LEAST 330' FOR GAS WELL, OR 165' FOR OIL WELL TO THE NEAREST LEASE LINE? YES NO NET PSTR NRI _____

LEASE ALLOWS POOLING YES NO PSTR W 1.00

LEASE ACRES _____ PRIMARY TERM OF LEASE ENDS _____ OTHER W/O _____

SPACING _____ POOLED LEASES _____

LOCATION EXCEPTION _____ INCREASED DENSITY \$400

DRILLING TITLE OPINION _____ SURFACE DAMAGES _____ PAID TO ST1180

SURFACE OWNER'S NAME WILLIAM + PATRICIA STICH

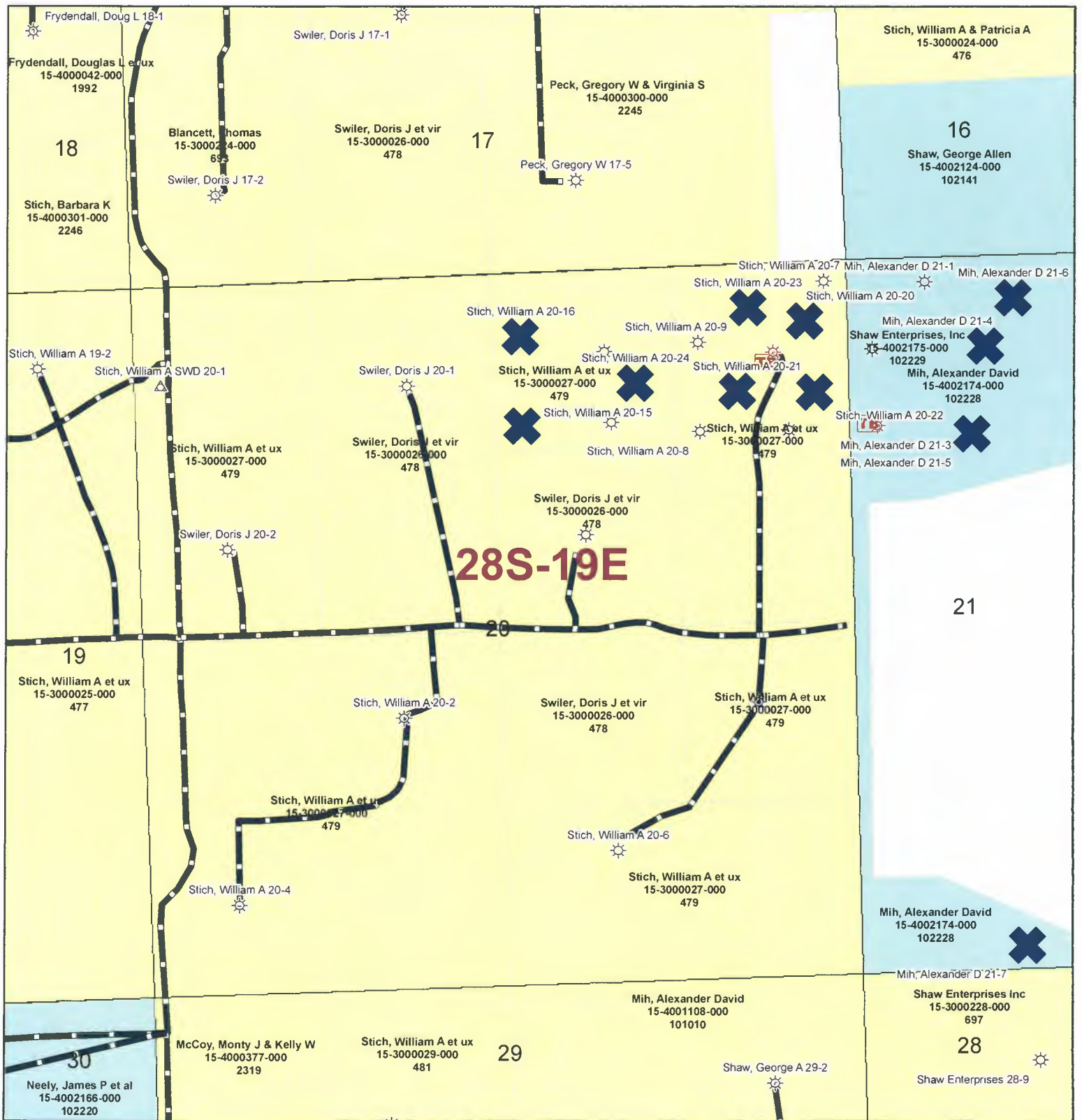
ADDRESS 15305 JACKSON ROAD, CHANUTE, KS 66720 PHONE 620.763.2511

LETTER AGREEMENT MAILED _____ OPERATING AGREEMENT MAILED _____ SWD AGREEMENT _____

DATE RETURNED _____ DATE RETURNED _____ WELL NAME _____

OTHER CONSIDERATIONS _____

APPROVALS	
DVD PROPOSAL INITIATED BY <u>[Signature]</u> DATE <u>6-19-13</u>	APPROVED <u>[Signature]</u> DATE <u>6-19-13</u>
GEOLOGY APPROVED _____ DATE _____	RES ENGINEERING APPROVED _____ DATE _____
PROD ENG APPROVED _____ DATE _____	PROPOSAL INITIATED BY _____ DATE _____



Stich, William A 20-24
 865' FNL 1590' FEL
 20-28S-19E
 Neosho County, KS
 1" = 1,000'

Prepared by:
 Cory S. Hledik
 6-19-2013





Stich, William A 20-24
 865' FNL 1590' FEL
 20-28S-19E
 Neosho County, KS
 1" = 1,000'

Prepared by:
 Cory S. Hledik
 6-19-2013



**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.

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Thomas E. Wright, Commissioner
Shari Feist Albrecht, Commissioner

Sam Brownback, Governor

July 02, 2013

CLARK EDWARDS
PostRock Midcontinent Production LLC
Oklahoma Tower
210 Park Ave, Ste 2750
OKLAHOMA CITY, OK 73102

Re: Drilling Pit Application
STICH, WILLIAM A 20-24
NE/4 Sec.20-28S-19E
Neosho County, Kansas

Dear CLARK EDWARDS:

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 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 (620) 432-2300.