

RECEIVED

MAR 31 2006

Form C-1

December 2002

For KCC Use: 4-23-06
Effective Date:
District #: 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

KCC WICHITA
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date 04 14 06
month day year

Spot W/2 SW SW Sec. 21 Twp. 20 S. R. 10
660' feet from N / S Line of Section
330' feet from E / W Line of Section

OPERATOR: License# 5210
Name: Lebsack Oil Production
Address: P. O. Box 489
City/State/Zip: Hays, KS 67601-0489
Contact Person: Rex Curtis
Phone: (785) 625-5444

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

CONTRACTOR: License# 5142
Name: Sterling Drilling Company

County: Rice
Lease Name: Sessler Well #: 2
Field Name: Chase-Silica

Well Drilled For: Oil, Gas, OWWO, Seismic, Other
Well Class: Infield, Pool Ext., Wildcat, Other
Type Equipment: Mud Rotary, Air Rotary, Cable

Is this a Prorated / Spaced Field? Yes No
Target Information(s): Arbuckle
Nearest Lease or unit boundary: 330'

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date: Original Total Depth:

Ground Surface Elevation: 1747' Estimate GL feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 120' Est
Depth to bottom of usable water: 200' Est
Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 250
Length of Conductor Pipe required: None
Projected Total Depth: 3350
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
Well Farm Pond Other
DWR Permit #: SDC will apply for

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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 03/28/06 Signature of Operator or Agent: Gary Talbot Title: Gary Talbot Agent

For KCC Use ONLY
API # 15 - 159-22480-0000
Conductor pipe required None feet
Minimum surface pipe required 220 feet per Alt. 1
Approved by: RTH 4-18-06
This authorization expires: 10-18-06
Spud date: Agent:

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;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.
- 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
Signature of Operator or Agent:
Date:

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

21 20 10 W

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.

API No. 15 - 159-22480-0000
Operator: Lebsack Oil Production
Lease: Sessler
Well Number: 2
Field: Chase-Silica
Number of Acres attributable to well: 160
QTR / QTR / QTR of acreage: W/2 - SW - SW

Location of Well: County: Rice
660' feet from N / S Line of Section
330' feet from E / W Line of Section
Sec. 21 Twp. 20 S. R. 10 East West

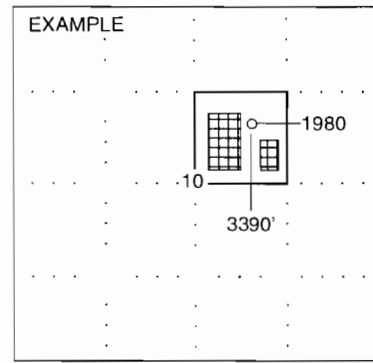
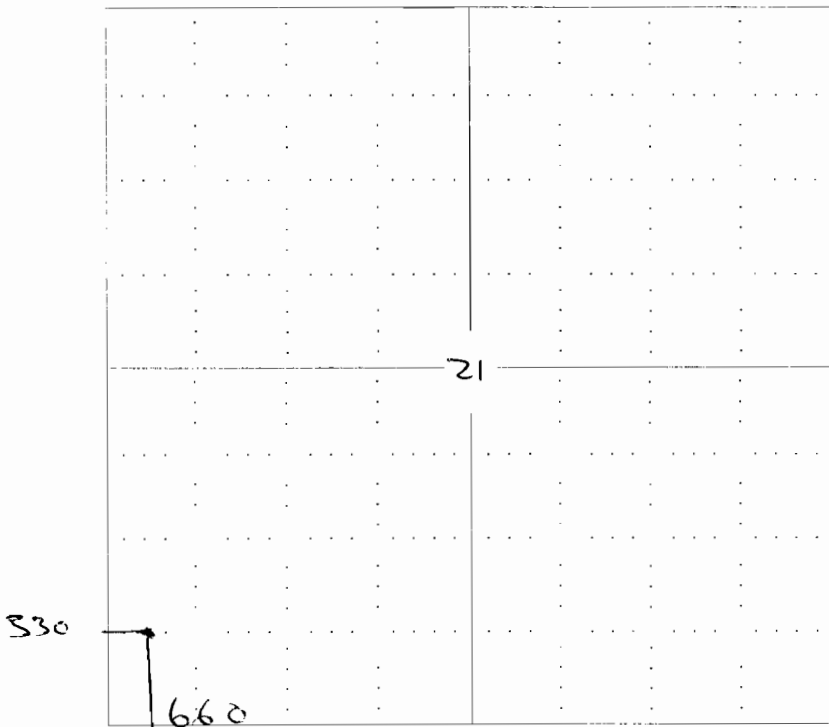
Is Section: Regular or Irregular

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.)



SEWARD CO.

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

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE POND**

RECEIVED

Form CDP-1  
January 2001  
Form must be Typed

MAR 31 2006

KCC WICHITA

Submit in Duplicate

Operator Name: <b>Lebsack Oil Production, Inc.</b>		License Number: <b>5210</b>
Operator Address: <b>P O Box 489, Hays, Kansas 67601-0489</b>		
Contact Person: <b>Rex Curtis</b>		Phone Number: ( <b>785</b> ) <b>625 - 5444</b>
Lease Name: <b>Sessler #2</b>		Pit Location:
Type of Pond: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>3,500</b> (bbls)	<b>SW</b> Qtr. Sec. <b>21</b> Twp. <b>20</b> R. <b>10</b> <input type="checkbox"/> E <input checked="" type="checkbox"/> W <b>660'</b> Feet from N <input checked="" type="checkbox"/> (circle one) Line of Section <b>330'</b> Feet from E <input checked="" type="checkbox"/> (circle one) Line of Section <b>Rice</b> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Treatment Pits only)</i>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>Bentonite</b>
Pit dimensions (all but working pits): <b>75</b> Length (feet) <b>75</b> Width (feet) Depth from ground level to deepest point: <b>4</b> (feet)		
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 <b>800</b> feet    Depth of water well <b>40</b> feet		Depth to shallowest fresh water <b>16'</b> feet. <input checked="" type="checkbox"/> Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR
<b>Emergency, Treatment and Burn Pits ONLY:</b> 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 pond? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling and Workover Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Fresh water/Bentonite</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Haul off free fluids after Hutchinson Salt and at completion of drilling operations. Let dry and backfill.</b> Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<b>03/28/06</b> Date	<b>Dym Yau</b> <b>AGENT</b> Signature of Applicant or Agent	

15-159-22480-0003

<b>KCC OFFICE USE ONLY</b>		<b>RFAS4 72 Hrs</b>
Date Received: <b>3/31/06</b>	Permit Number: _____	Permit Date: <b>4/18/06</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, COMMISSIONER

April 18, 2006

Rex Curtis  
Lebsack Oil Production  
PO Box 489  
Hays KS 67601-0489

Re: Drilling Pit Application  
Sessler Lease Well No. 2  
SW/4 21-20S-10W  
Rice County, Kansas

Dear Mr. Curtis:

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 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: [www.kcc.state.ks.us/conservation/forms/](http://www.kcc.state.ks.us/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 undersigned at the above address.

Sincerely,



Jonelle Rains, Supervisor  
Department of Environmental Protection and Remediation

cc: Doug Louis  
File