

For KCC Use:

Effective Date: 5-30-06

District # 1

SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing well

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MAY 24 2006

KCC WICHITA

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date 6 15 06  
month day year

OPERATOR: License # 3842  
Name: LARSON OPERATING COMPANY  
A DIVISION OF LARSON ENGINEERING, INC.  
Address: 562 WEST HIGHWAY 4  
City/State/Zip: OLMITZ, KS 67564-8561  
Contact Person: TOM LARSON  
Phone: (620) 653-7368

CONTRACTOR: License # 30606  
Name: MURFIN DRILLING COMPANY

Well Drilled For: ☒ Oil ☒ Enh Rec ☐ Gas ☐ Storage ☐ OWWO ☐ Disposal ☐ Seismic; # of Holes ☐ Other

Well Class: ☐ Infield ☐ Pool Ext. ☒ Wildcat ☐ Other

Type Equipment: ☒ Mud Rotary ☐ Air Rotary ☐ Cable

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#: \_\_\_\_\_

*\*Oil & Gas Leases Attached*

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 a 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 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: 05/22/2006 Signature of Operator or Agent: Thomas Larson Title: President

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: \_\_\_\_\_

For KCC use ONLY

API # 15 - 101-21932-0000

Conductor pipe required None feet

Minimum surface pipe required 200 feet per Alt. *XO 2*

Approved by: Pat 5-25-06

This authorization expires: 11-25-06

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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

14 20 304

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

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

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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 - 101-21932-0000  
 LARSON OPERATING COMPANY  
 Operator: A DIVISION OF LARSON ENGINEERING, INC.  
 Lease: SCHWARTZ  
 Well Number: 1-14  
 Field: WILDCAT

Location of Well: County: LANE  
2400 feet from ☐ N / ☒ S Line of Section  
1160 feet from ☐ E / ☒ W Line of Section  
 Sec. 14 Twp. 20 S. R. 30 ☐ East ☒ West

Is Section: ☒ Regular or ☐ Irregular

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

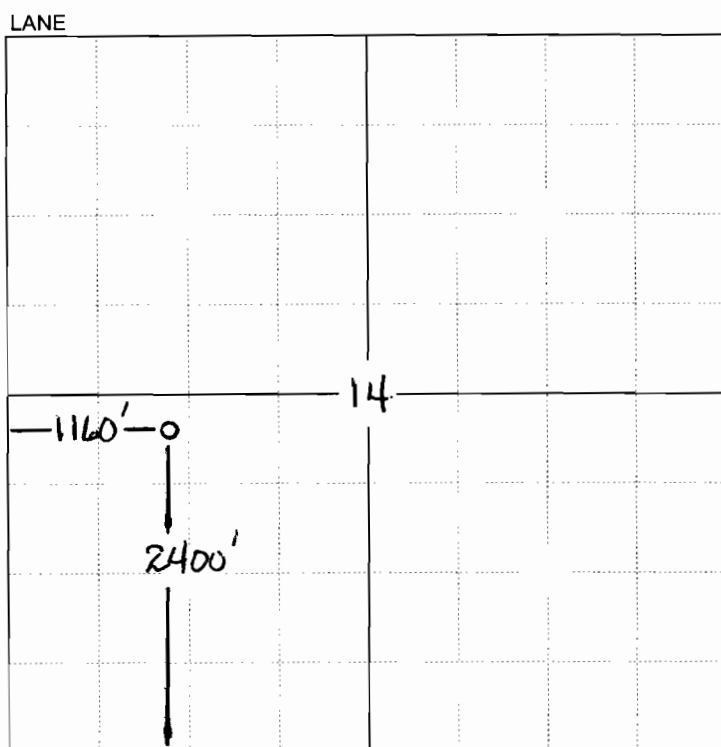
Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

Number of Acres attributable to well: 10  
 QTR / QTR / QTR of acreage: W/2

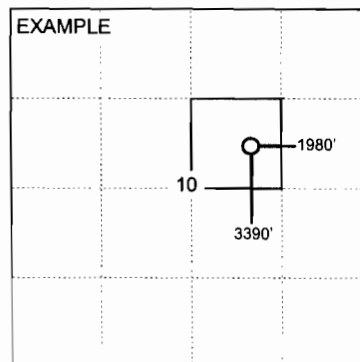
## PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



COPIES OF O & G LEASES  
 ATTACHED. SAME  
 OWNER. NOTE POOLING  
 CLAUSE.



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 PIT

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MAY 24 2006

KCC WICHITA

Form CDP-1

April 2004

Form must be Typed

Submit in Duplicate

Operator Name: LARSON OPERATING COMPANY A DIVISION OF LARSON ENGINEERING, INC.		License Number: 3842
Operator Address: 562 WEST HIGHWAY 4 OLMITZ, KS 67564-8561		
Contact Person: TOM LARSON		Phone Number: ( 620 ) 653-7368
Lease Name & Well No.: SCHWARTZ #1-14		Pit Location (QQQQ): <u>APP</u> - <u>NE</u> - <u>NW</u> - <u>SW</u>
Type of Pond: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Bum Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 6400 (bbls)	Sec. <u>14</u> Twp. <u>20S</u> R. <u>30</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2400 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1160 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section _____ LANE _____ County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride Concentration: _____ mg/l (For Emergency Pits and Settling Pits only)
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? NATIVE MUD & BENTONITE CLAY
Pit dimensions (all but working pits):    80    Length (feet)    80    Width (feet) <u>N/A: Steel Pits</u> Depth from ground level to deepest point:    4    (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 <u>N/A</u> feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling 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 pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>FRESH WATER MUD</u> Number of working pits to be utilized: <u>NONE - STEEL PITS</u> Abandonment procedure: <u>ALLOW TO DRY THEN BACKFILL</u> _____ 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.  5-22-06 <u>Thomas Larson</u> PRESIDENT Date    Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: <u>5/24/06</u> Permit Number: _____    Permit Date: <u>5/24/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

15-101-21932-0000