

RECEIVED OWWO

JUN 01 2006

Form C-1
December 2002

For KCC Use: 6-13-06
Effective Date: _____
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date June 10, 2006
month day year

OPERATOR: License# 6569
Name: Carmen Schmitt Inc.
Address: PO Box 47
City/State/Zip: Great Bend, KS 67530
Contact Person: Jacob Porter
Phone: 620-793-5100

CONTRACTOR: License# 6901
Name: DS&W Well Servicing, Inc.

Well Drilled For: Oil Enh Rec Infield Gas Storage Pool Ext. OWWO Disposal Wildcat 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: Franco Central Oil Company
Well Name: Russell #1
Original Completion Date: 7/28/1954 Original Total Depth: 3881'

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot NE NW SE Sec. 31 Twp. 21 S. R. 14 East West
2310' fsl feet from N / S Line of Section
1650' fel feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Stafford
Lease Name: Kate Well #: 1
Field Name: WC

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Chase and Council Grove Groups

Nearest Lease or unit boundary: 330' North

Ground Surface Elevation: estimate 1952' 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: 200'

Depth to bottom of usable water: 160' 200'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe ~~Planned to be set:~~ 230' set

Length of Conductor Pipe required: -0'

Projected Total Depth: 3300'

Formation at Total Depth: Shawnee Group

Water Source for Drilling Operations:

Well Farm Pond Other hauled

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.

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

Date: 5/31/06 Signature of Operator or Agent: Jacob L. Porter Title: Operations Manager

For KCC Use ONLY
API # 15 - 185-00959-00-01
Conductor pipe required None feet
Minimum surface pipe required 230 feet per Alt. 1
Approved by: RH0900
This authorization expires: 12-8-06
(This authorization void if drilling not started within 6 months of approval date.)
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

31
21
14W

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KCC WICHITA

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 - 185-00959-00-01
Operator: Carmen Schmitt Inc.
Lease: Kate
Well Number: 1
Field: WC
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: NE - NW - SE

Location of Well: County: Stafford
2310' fsl feet from N / S Line of Section
1650' fel feet from E / W Line of Section
Sec. 31 Twp. 21 S. R. 14 East West

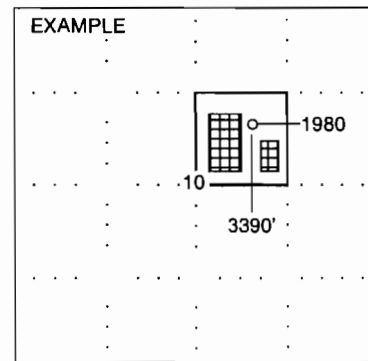
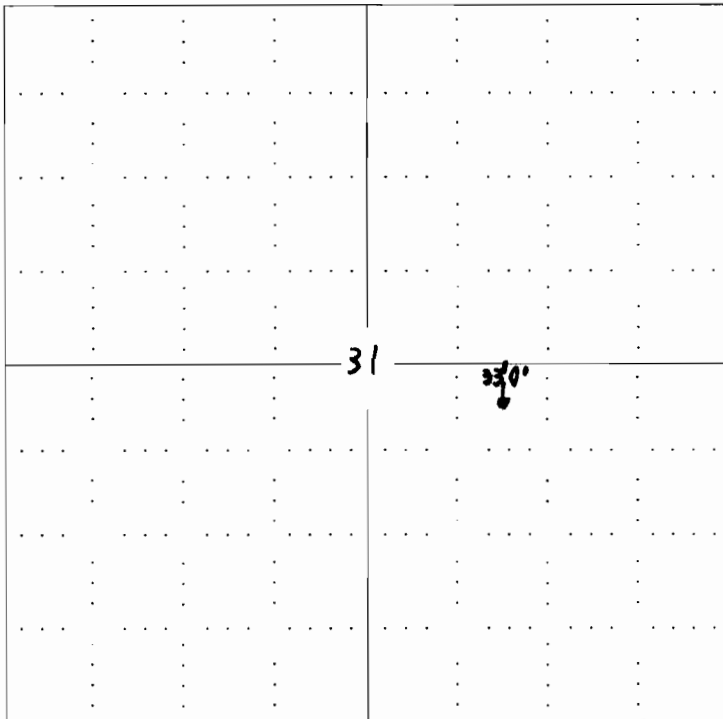
Is Section: Regular or Irregular

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.)



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 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

RECEIVED
JUN 01 2006
KCC WICHITA

Form GDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Carmen Schmitt Inc.		License Number: 6569
Operator Address: PO Box 47, Great Bend, KS 67530		
Contact Person: Jacob Porter		Phone Number: (620) 793 - 5100
Lease Name & Well No.: Kate #1		Pit Location (QQQQ): _____ NE _____ NW _____ SE Sec. 31 Twp. 21 R. 14 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2310 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1650 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section STAFFORD County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" 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 checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 1500 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling 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? bentonite and native clays
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) _____ N/A: Steel Pits 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. visual inspection
Distance to nearest water well within one-mile of pit 930 feet Depth of water well 75 feet		Depth to shallowest fresh water 15 feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ electric log <input checked="" 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: fresh water and bentonite mud Number of working pits to be utilized: 2 Abandonment procedure: evaporate and backfill 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.		
5/31/06 Date		Jacob L Porter Signature of Applicant or Agent
KCC OFFICE USE ONLY		
RFAC		
Date Received: 6/8/06 Permit Number: _____ Permit Date: 6/7/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-185-00959-00-01

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

June 7, 2006

Mr. Jacob Porter
Carmen Schmidt, Inc.
PO Box 47
Great Bend, KS 67530

RE: Drilling Pit Application
Kate Lease Well No. 1
SE/4 Sec. 31-21S-14W
Stafford County, Kansas

Dear Mr. Porter:

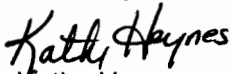
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling 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) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, 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.

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,



Kathy Haynes
Environmental Protection and Remediation Department

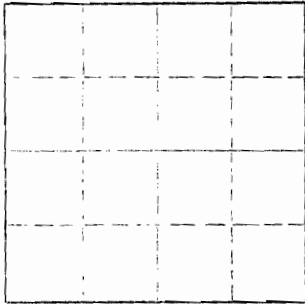
cc: File

All Information Completely
Required Affidavit
or Deliver Report to:
Conservation Division
State Corporation Commission
800 Biting Building
Wichita, Kansas

WELL PLUGGING RECORD

15-185-00959-00-00

NORTH



Locate well correctly on above
Section Plat

Stafford County, Sec. 31 Twp. 21 Rge. 14 (E) W(W)
Location as "NE/CNW&SW" or footage from lines. NE NW SE
Lease Owner. Franco Central Oil Company
Lease Name. Russell Well No. 1
Office Address. Fourth National Bank Building, Wichita
Character of Well (completed as Oil, Gas or Dry Hole) dry hole
Date well completed. July 28 19 54
Application for plugging filed. July 30 19 54
Application for plugging approved. July 28 19 54
Plugging commenced. 1 P.M., July 28 19 54
Plugging completed. 3:30 P.M., July 28 19 54
Reason for abandonment of well or producing formation

If a producing well is abandoned, date of last production 19
Was permission obtained from the Conservation Division or its agents before plugging was commenced? yes

Name of Conservation Agent who supervised plugging of this well M. A. Rives
Producing formation No Depth to top Bottom Total Depth of Well Feet
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
				10 3/4	230	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from feet to feet for each plug set.

Hole filled with heavy Rotary mud to top. Introduced regular cement plug into 10 3/4 surface casing. Squeezed 100 sacks of cement by Globe Cementing Co. Stopped plug at 220' cement to bottom of cellar

CONSERVATION DIVISION
WICHITA, KANSAS

(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor Globe Cementing Co.
Address Great Bend, Kansas

STATE OF Kansas, COUNTY OF Sedgwick, ss.
I. E. Clothier (employee of owner) or (owner or operator) of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) *I. E. Clothier*
512 Fourth National Bank Bldg., Wichita, Kans.
(Address)

SUBSCRIBED AND SWORN TO before me this 30th day of July, 1954

Rebecca Hill
Notary Public.

My commission expires Oct. 21, 1957

24-2675-5 2-52-20M
PLUGGING
FILE REC-31 T-21 R-22
PAGE 50 LINE 12