

For KCC Use:  
Effective Date: 6-14-06  
District # 4  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

JUN 09 2006

Form must be Typed  
Form must be Signed  
blanks must be Filled

NOTICE OF INTENT TO DRILL CONSERVATION DIVISION II  
WICHITA, KS

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

Expected Spud Date June 15 2006  
month day year

Spot  East  
NE NE NE Sec. 22 Twp. 20 S. R. 12  West  
610' FNL feet from  N /  S Line of Section  
170' FEL feet from  E /  W Line of Section

OPERATOR: License# 32924  
Name: Gilbert-Stewart Operating  
Address: 1801 Broadway #450  
City/State/Zip: Denver, CO 80202  
Contact Person: Kent L. Gilbert  
Phone: 303-534-1686

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

CONTRACTOR: License# 33350  
Name: Southwind Drilling

County: Barton  
Lease Name: DDK Well #: 1  
Field Name: Chase

Well Drilled For: Well Class: Type Equipment:  
 Oil  Enh Rec  Infield  Mud Rotary  
 Gas  Storage  Pool Ext.  Air Rotary  
 OWWO  Disposal  Wildcat  Cable  
 Seismic; # of Holes  Other  
 Other

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Arbuckle  
Nearest Lease or unit boundary: 170' - (See Lease; Pooling Clause)

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

Ground Surface Elevation: 1811' 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

Depth to bottom of fresh water: 200'  
Depth to bottom of usable water: 250' 730'

If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 300'  
Length of Conductor Pipe required: N/A

Oil & Gas Lease w/ pooling Clause Attached.

Projected Total Depth: 3450'  
Formation at Total Depth: Arbuckle  
Water Source for Drilling Operations:  
 Well  Farm Pond Other Contr will permit if WW

DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR )  
Will Cores be taken?  Yes  No

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: 07/06/2006 Signature of Operator or Agent: Kent L. Gilbert Title: Manager

For KCC Use ONLY  
API # 15 - 009-24951-0000  
Conductor pipe required None feet  
Minimum surface pipe required 250 feet per Alt. 1  
Approved by: RH 6-9-06  
This authorization expires: 12-9-06  
(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

22  
20  
12W

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

*Plat of acreage attributable to a well in a prorated or spaced field*

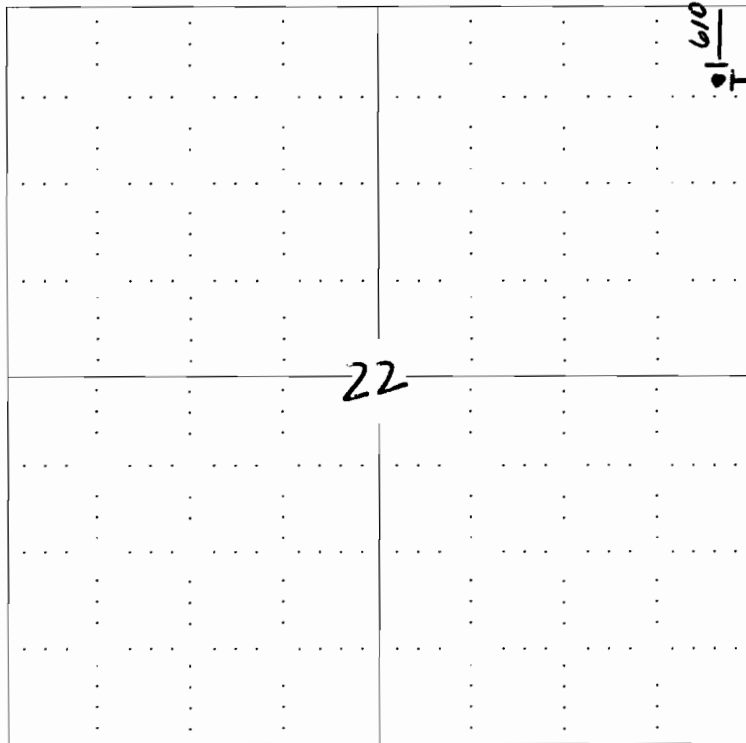
**If the intended well is in a prorated or spaced field, please fully complete this side of the form.** If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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 - 009-24951-0000  
 Operator: Gilbert-Stewart Operating  
 Lease: DDK  
 Well Number: 1  
 Field: Chase  
 Number of Acres attributable to well: 40  
 QTR / QTR / QTR of acreage: NE - NE - NE

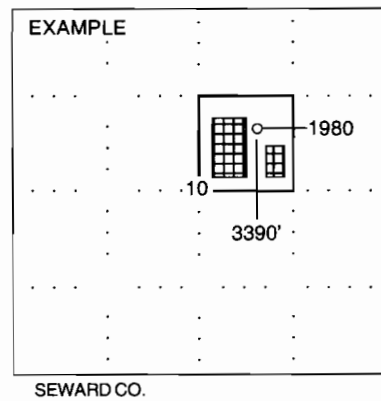
Location of Well: County: Barton  
 610' FNL \_\_\_\_\_ feet from  N /  S Line of Section  
 170' FEL \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 22 Twp. 20 S. R. 12  East  West  
 Is Section:  Regular or  Irregular  
**If Section is Irregular, locate well from nearest corner boundary.**  
 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.)



**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**JUN 09 2006**  
**CONSERVATION DIVISION**  
**WICHITA, KS**



**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: (C0-7 for oil wells; CG-8 for gas wells).

JUN 09 2006

CONSERVATION DIVISION  
WICHITA, KS

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION  
WICHITA, KS

JUN 09 2006

Submit in Duplicate

Operator Name: <b>Gilbert-Stewart Operating</b>		License Number: <b>32924</b>
Operator Address: <b>Suite 450 1801 Broadway Denver, CO 80202</b>		
Contact Person: <b>Kent Gilbert</b>		Phone Number: ( <b>303</b> ) <b>534 - 1686</b>
Lease Name & Well No.: <b>DDK #1</b>		Pit Location (QQQQ): <b>NE NE NE</b>
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 <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>4571</b> (bbls)	Sec. <b>22</b> Twp. <b>20S</b> R. <b>12W</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>610' FNL</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>170' FEL</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Barton</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 <small>(For Emergency Pits and Settling Pits only)</small>
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>80</b> Length (feet) <b>80</b> Width (feet)    _____ N/A: Steel Pits 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. <b>Bentonite from the drilling mud will coat and seal the sides and bottom of the pit during drilling</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>Bentonite will stay in place until pit is squeezed and closed</b>
Distance to nearest water well within one-mile of pit <b>1211</b> feet    Depth of water well <b>60</b> feet		Depth to shallowest fresh water <b>20 19</b> feet. <b>est</b> Source of information: _____ _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> 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: <b>Fresh Water/ Bentonite</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Haul off free fluids after Hutchison Salt. Allow Pits to dry. Backfill when dry.</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.  _____ Date: <b>07/06/2006</b> _____ Signature of Applicant or Agent: <b>Kent L Gilbert</b>		

15-009-04951-0000

KCC OFFICE USE ONLY

Call enter sand.  
RFASAC

Date Received: **6/9/06** Permit Number: \_\_\_\_\_ Permit Date: **6/9/06** Lease Inspection:  Yes     No

# KANSAS

CORPORATION COMMISSION

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

June 9, 2006

Mr. Kent L. Gilbert  
Gilbert-Stewart Operating  
1801 Broadway #450  
Denver, CO 80202

RE: Drilling Pit Application  
DDK Lease Well No. 1  
NE/4 Sec. 22-20S-12W  
Barton County, Kansas

Dear Mr. Gilbert:

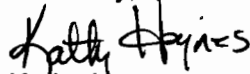
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **if sand is encountered during the construction of the reserve pit or working pits, please call the District Office at (785) 625-0550**. The 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 as soon as practical after drilling operations have ceased. **Please keep all pits away from any draws.**

**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 (785) 625-0550 when the fluids have been removed. Please file form CDP-5, 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](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,



Kathy Haynes

Kathy Haynes  
Environmental Protection and Remediation Department

cc: H Deines