

For KCC Use:
 Effective Date: 6-17-06
 District #: 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

RECEIVED
 KANSAS CORPORATION COMMISSION
 December 2002
 Form C-1
 Form must be Typed
 Form must be Signed
 All blanks must be Filled
 OCT 14 2005
 CONSERVATION DIVISION
 WICHITA, KS

NOTICE OF INTENT TO DRILL

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

Expected Spud Date November 1st 2005
 month day year

OPERATOR: License# 32802 ✓
 Name: Bert Carlson
 Address: 1432 Nighthawk Road
Yates Center, Ks 66783
 City/State/Zip:
 Contact Person: Bert Carlson
 Phone: 620-625-3307

CONTRACTOR: License# 33072 ✓
 Name: Well Refined Drilling Co.

Spot East
 SW SE NW Sec. 23 Twp. 33 S. R. 3 West
2310 feet from N / S Line of Section
1650 feet from E / W Line of Section

Is SECTION Regular Irregular?

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

County: Cowley
 Lease Name: Preist Well #: 23-1 ✓
 Field Name: Wright

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Miss

Nearest Lease or unit boundary: 1650' from W

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: 70

Depth to bottom of usable water: 100-280

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 300 feet ✓

Length of Conductor Pipe required: _____

Projected Total Depth: 3400 Feet ✓

Formation at Total Depth: Miss

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: _____

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

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 #: _____

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: 10-12-05 Signature of Operator or Agent: Rosalie K. Karol Title: Agent

For KCC Use ONLY
 API # 15 - 035-24248-0000
 Conductor pipe required None feet
 Minimum surface pipe required 300 feet per Alt. 1 X
 Approved by: Rett 6-12-06
 This authorization expires: 12-12-06
 (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

23
33
3E

OCT 14 2005

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field CONSERVATION DIVISION
WICHITA, KS

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 - 035-24248-0000
Operator: Bert Carlson
Lease: Preist
Well Number: 23-1
Field: Wright

Location of Well: County: Cowley
2310 feet from N / S Line of Section
1650 feet from E / W Line of Section
Sec. 23 Twp. 33 S. R. 3 East West

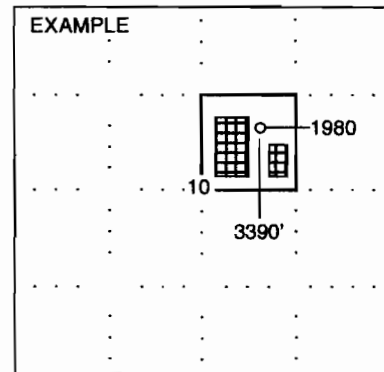
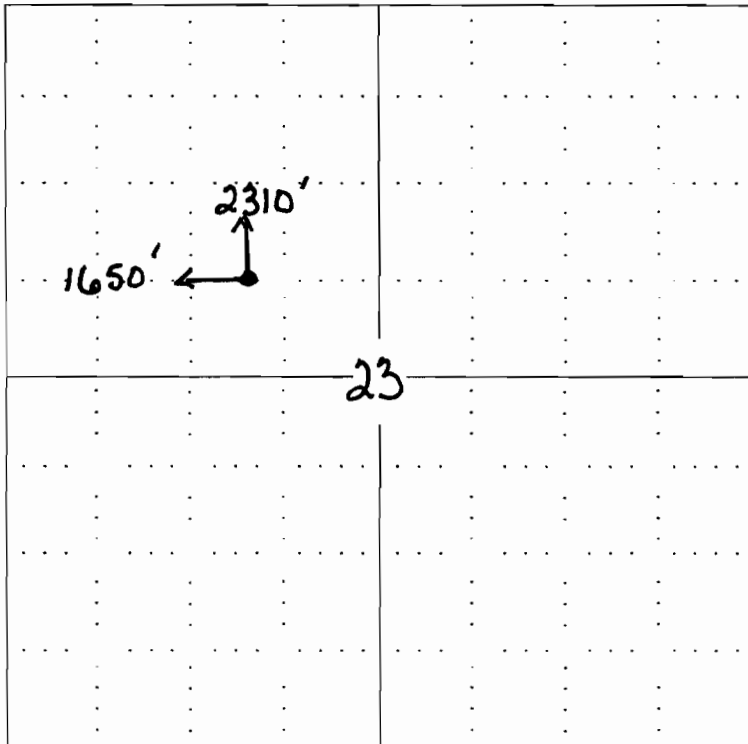
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: SW - SE - NW

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 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).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 14 2005

Form GDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

Operator Name: Bert Carlson		License Number: 32802	
Operator Address: 1432 Nighthawk Road Yates Center Ks, 66783			
Contact Person: Bert Carlson		Phone Number: (620) 625 - 3307	
Lease Name & Well No.: Preist #13-1		Pit Location (QQQQ): S W S E N W	
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 (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: 400 (bbls)	
		Sec. 23 Twp. 33 R. 3 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 2310 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1650 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Cowley County	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? Dirt	
Pit dimensions (all but working pits): 60 Length (feet) 60 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 8 (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 2100 feet Depth of water well 70 feet		Depth to shallowest fresh water 40 feet <input checked="" type="checkbox"/> Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ electric log _____ 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: Air/Mud Number of working pits to be utilized: 4 Abandonment procedure: As per KCC Regulations 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.			
10-12-05 Date		<i>Rosalind Parker</i> Signature of Applicant or Agent	

15-035-24248-0330

KCC OFFICE USE ONLY

RFAS +72 HES

Date Received: **10/14/05** Permit Number: _____ Permit Date: **6/9/06** Lease Inspection: Yes 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

June 9, 2006

Mr. Bert Carlson
1432 Nighthawk Rd
Yates Center, KS 66783

Re: Drilling Pit Application
Preist Lease Well No. 23-1
NW/4 Sec. 23-33S-03E
Cowley County, Kansas

Dear Mr. Carlson:

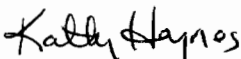
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt 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. 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