

For KCC Use: 6-2106
 Effective Date: _____
 District #: 2
 SGA? Yes No

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

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

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

Expected Spud Date November 1st 2005
 month day year

Spot S 1/2 NW-SE
~~C W/2 SE~~ Sec 2 Twp. 34 S. R. 3
 East West
1320 / 650 per operator letter feet from N / S Line of Section
 1980 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

(Note: Locate well on the Section Plat on reverse side)
 County: Cowley
 Lease Name: Walton Well #: 2-1
 Field Name: Beeks

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

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): AW
 Nearest Lease or unit boundary: 1980 East

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

Ground Surface Elevation: _____ feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 40
 Depth to bottom of usable water: 280
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 300 Feet

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

Length of Conductor Pipe required: _____
 Projected Total Depth: 3000 Feet
 Formation at Total Depth: Cleveland

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: _____

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: Rosalia Parker Title: Agent

For KCC Use ONLY	
API # 15 -	<u>035-24249-0000</u>
Conductor pipe required	<u>None</u> feet
Minimum surface pipe required	<u>300</u> feet per Alt. <u>1</u>
Approved by:	<u>RHC 6-16-00</u>
This authorization expires:	<u>12-16-06</u>
(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: _____

2
34
3E

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KANSAS CORPORATION COMMISSION
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 - 035-24249-0000
Operator: Bert Carlson
Lease: Walton
Well Number: 2-1
Field: Beeks

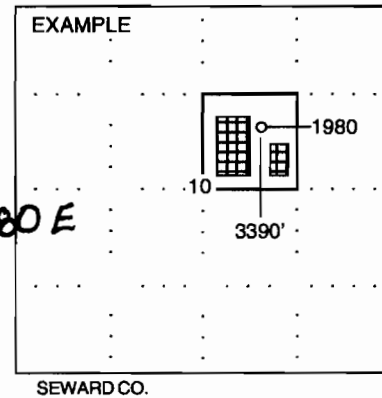
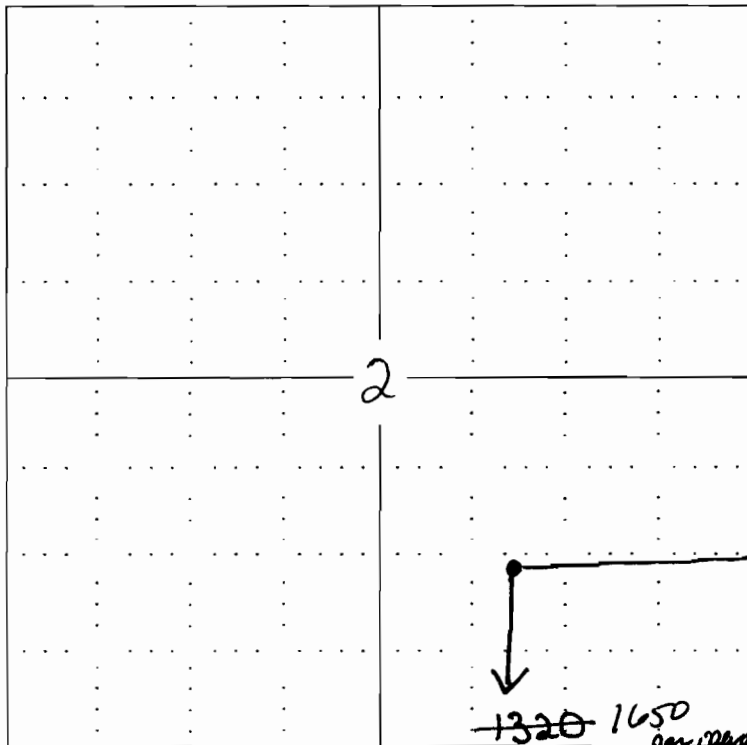
Location of Well: County: Cowley
1320 1650 per operator letter feet from N / S Line of Section
1980 feet from E / W Line of Section
Sec. 2 Twp. 34 S. R. 3 East West

Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: SW/4 - W/2 - SE/4
SY2 - NW - SE

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 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. *Letter*

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
KANSAS CORPORATION COMMISSION
OCT 14 2005
CONSERVATION DIVISION
WICHITA, KS

Form CDP-1
April 2004
Form must be Typed

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.: Walton #2-1		Pit Location (QQQQ): SE - - - - - Sec. 2 Twp. 34 R. 3 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1320 1663 Feet from <input checked="" type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1980 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Cowley 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 <small>(If W/P Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 400 (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 <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? 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 2430 feet Depth of water well 65 feet		Depth to shallowest fresh water 30 feet. 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>Rosalie Parker</i> Signature of Applicant or Agent

15-035-24249-0000

KCC OFFICE USE ONLY		R FAS 72405
Date Received: 10/14/05	Permit Number: _____	Permit Date: 6/9/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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
Walton Lease Well No. 2-1
SE/4 Sec. 02-34S-03E
Cowley County, Kansas

Dear Mr. Carlson:

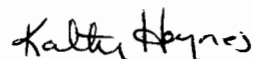
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt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