

Owwo

For KCC Use: 6-26-06
Effective Date: 6-26-06
District # 1
SGA? Yes No

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

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date June 26 2006
month day year

Spot NE - NE - NE Sec. 34 Twp. 26 S. R. 11 East West
330' feet from N / S Line of Section
330' feet from E / W Line of Section

OPERATOR: License# 6039 ✓
Name: L. D. DRILLING, INC.
Address: 7 SW 26 AVE
City/State/Zip: GREAT BEND, KS 67530
Contact Person: L. D. DAVIS
Phone: 620-793-3051

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: PRATT
Lease Name: NICKLIN OWWO Well #: 1

CONTRACTOR: License# UNKNOWN **ADVISE ON ACO-1 MUST BE LICENSED WITH KCC UNKNOWN WILL BE ON ACO 1**
Name: _____

Field Name: _____
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): ARBUCKLE

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

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 1807 feet MSL

If OWMO: old well information as follows: CLEARY PETROLEUM, INC
Operator: #1-34 NICKLIN
Well Name: 6-16-66 Original Total Depth: 4565'

Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 210'
Depth to bottom of usable water: 280'
Surface Pipe by Alternate: 1 2

Length of Surface Pipe ~~Planned to be set~~: 447'
Length of Conductor Pipe required: NONE
Projected Total Depth: 4684'
Formation at Total Depth: ARBUCKLE

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

RECEIVED
KANSAS CORPORATION COMMISSION

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

JUN 20 2006

It is agreed that the following minimum requirements will be met:

CONSERVATION DIVISION
WICHITA, KS

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: 6/19/06 Signature of Operator or Agent: Bessie Doherty Title: SEC/TREAS

For KCC Use ONLY
API # 15 - 151-30116-00-01
Conductor pipe required None feet
Minimum surface pipe required 447 feet per Alt. 1 ✓
Approved by: Ruth 6-21-06
This authorization expires: 12-21-06
(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

34
26
11W

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 - 151-30116-00-01
Operator: L. D. DRILLING, INC.
Lease: NICKLIN OWWO
Well Number: 1
Field: _____

Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: NE - NE - NE

Location of Well: County: PRATT
330' feet from N / S Line of Section
330' feet from E / W Line of Section
Sec. 34 Twp. 26 S. R. 11 East West

Is Section: Regular or Irregular

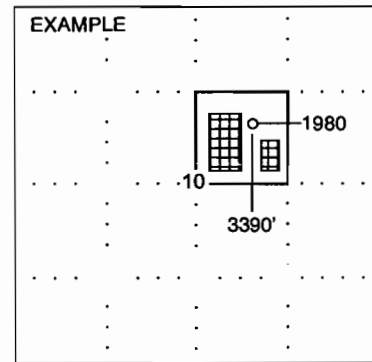
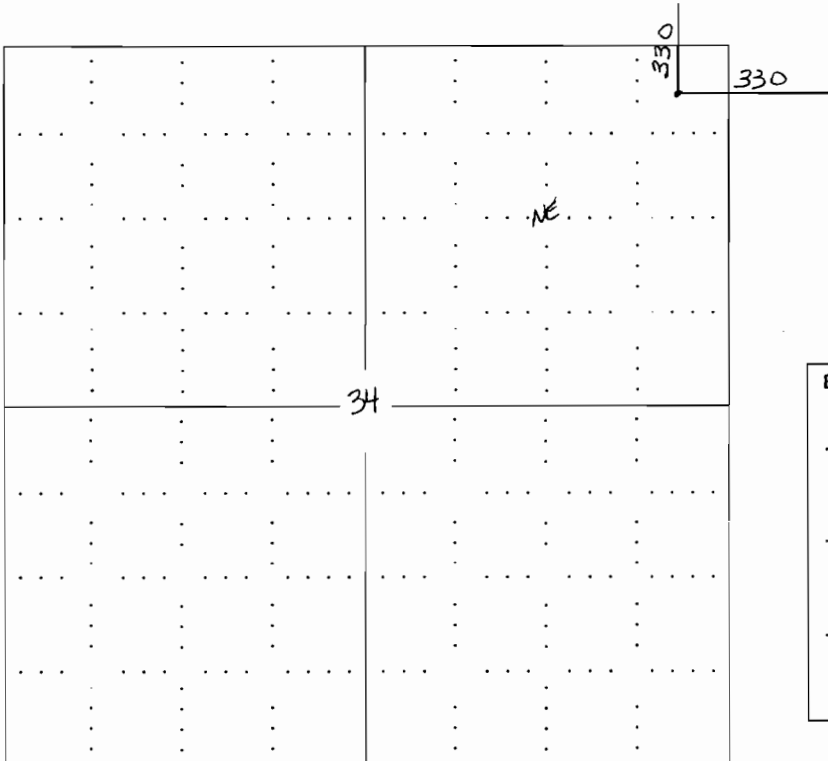
If Section is Irregular, locate well from nearest corner boundary.

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.)



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

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: L. D. DRILLING, INC.		License Number: 6039
Operator Address: 7 SW 26 AVE, GREAT BEND, KS 67530		
Contact Person: L.D. DAVIS		Phone Number: (620) 793 - 3051
Lease Name & Well No.: NICKLIN OWWO #1		Pit Location (QQQQ): NE - NE - NE -
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 checked="" 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: 3490 (bbls)	Sec. 34 Twp. 26 R. 11 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 330 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section PRATT 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 type="checkbox"/> No	How is the pit lined if a plastic liner is not used? BENTONITE SOLIDS FROM DRLG OPE
Pit dimensions (all but working pits): <u>70</u> Length (feet) <u>70</u> Width (feet) N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. IF REQUIRED 10 ML PLLASTIC LINER EDGE COVERED WITH DIRT		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. VISUAL CHECK
Distance to nearest water well within one-mile of pit <u>660</u> feet Depth of water well <u>75</u> feet		Depth to shallowest fresh water <u>18</u> feet. Source of information: <u>KACW</u>  _____ measured _____ 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: <u>DRILLING FLUID CUTTINGS</u> Number of working pits to be utilized: <u>(3) SUCTION, SHALE, RESERVE</u> Abandonment procedure: <u>PITS ALLOWED TO EVAPORATE UNTIL DRY THEN BACKFILL WHEN CONDITIONS ALLOW</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.		
<u>JUNE 19, 2006</u> Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY RFAC		
Date Received: <u>6/21/06</u> Permit Number: _____ Permit Date: <u>6/21/06</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-151-3016-00-01

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

June 21, 2006

Mr. L.D. Davis
L.D. Drilling, Inc.
7 SW 26 Ave
Great Bend, KS 67530

RE: Drilling Pit Application
Nicklin OWWO Lease Well No. 1
NE/4 Sec. 34-26S-11W
Pratt County, Kansas

Dear Mr. Davis:

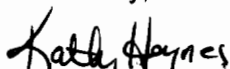
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling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

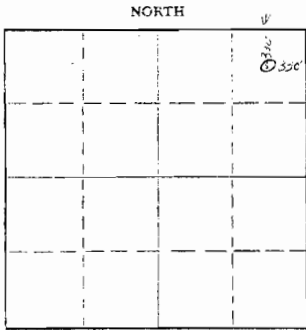
cc: File

WELL PLUGGING RECORD

15-151-30114-00-00

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
211 No. Broadway
Wichita, Kansas

Pratt County, Sec. 34 Twp. 26S Rge. (E) 11 (W)
Location as "NE/CNW/SE" or footage from lines NE NE NE
Lease Owner Cleary Petroleum, Inc.
Lease Name Nicklin Well No. 1-34
Office Address 310 Kermac Building, Oklahoma City, Oklahoma 73102
Character of Well (completed as Oil, Gas or Dry Hole) Dry hole
Date well completed 6-16 1966
Application for plugging filed 6-16 1966
Application for plugging approved 6-20 1966
Plugging commenced 6-16 1966
Plugging completed 6-16 1966
Reason for abandonment of well or producing formation Dry Hole



Locate well correctly on above
Section Plat

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

Name of Conservation Agent who supervised plugging of this well Archie Elving, Pratt, Kansas
Producing formation ----- Depth to top --- Bottom --- Total Depth of Well 4565 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

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.

Heavy mud to 400'. Wooden plug @ 400' w/ 1/2 sack hulls on top of wooden plug, then 25 sacks cement. Heavy mud to 40'. Wooden plug, 1/2 sack hulls, 10 sx. cement. Rat hole plugged with 2 sx cement.

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STATE CORPORATION COMMISSION

JUN 23 1966

CONSERVATION DIVISION
Wichita, Kansas

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

Name of Plugging Contractor Garvey Drilling Company
Address R. R. #2, Great Bend, Kansas

STATE OF Oklahoma, COUNTY OF Oklahoma, ss.
Cleary Petroleum, Inc. (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) Jack Richardson, Engineer
310 Kermac Building, Oklahoma City, Oklahoma
(Address)

SUBSCRIBED AND SWORN TO before me this 22nd day of June, 19 66

My commission expires 2-4-68

Judy R. Mills
Notary Public.