

* Within Boundaries of Cunningham Gas Storage Field * OWWO

For KCC Use:

Effective Date:

District #

SGA? ☒ Yes ☐ No

Gas Storage Area -
Blowout Preventer Required

KANSAS CORPORATION COMMISSION

OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date July 25 2006
month day year

OPERATOR: License# 3910
Name: L. D. Hale
Address: 15000 Timber Lake Road
City/State/Zip: Wichita, KS 67230
Contact Person: W. L. Kirkman
Phone: 316-838-0093 Cell 316-833-6859

CONTRACTOR: License# 5495
Name: McPherson Drilling Co.

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

If OWWO: old well information as follows:

Operator: Charles Carlock
Well Name: Grider #1
Original Completion Date: 4/21/78 Original Total Depth: 3760

Directional, Deviated or Horizontal wellbore? ☒ Yes ☐ No

If Yes, true vertical depth: KANSAS CORPORATION COMMISSION

Bottom Hole Location: JUL 11 2006

KCC DKT #: RECEIVED

CONSERVATION DIVISION
WICHITA, KS

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: 7-11-06 Signature of Operator or Agent: [Signature] Title: Consultant

For KCC Use ONLY

API # 15 - 151-20495-00-01

Conductor pipe required None feet

Minimum surface pipe required 414 feet per Alt. 1

Approved by: Per 7-13-06

This authorization expires: 1-13-07

(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

35
27
114

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 - _____

Operator: _____

Lease: _____

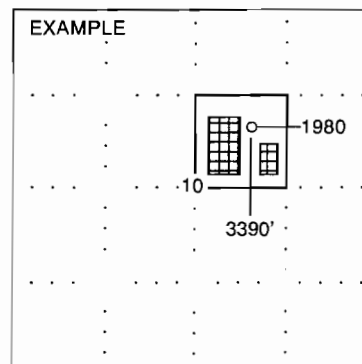
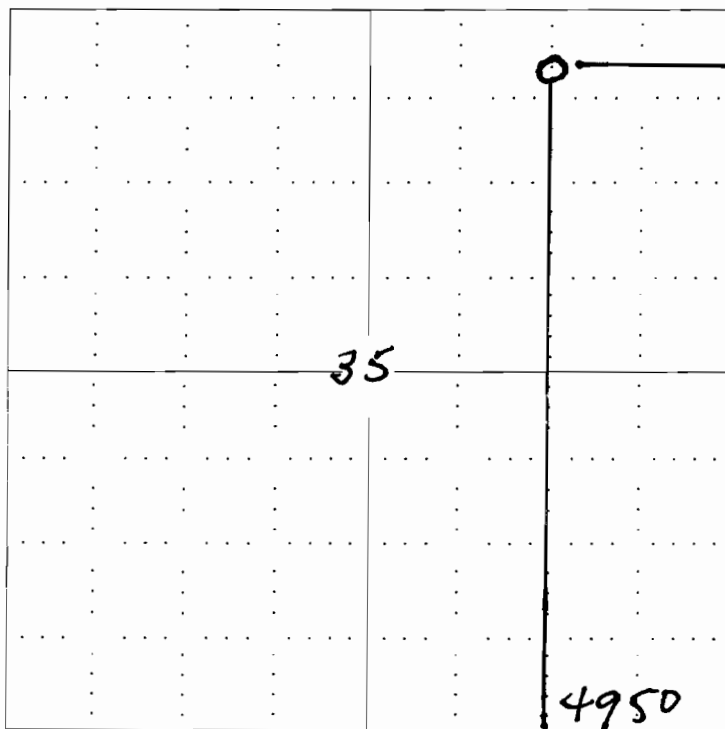
Well Number: _____

Field: _____

Number of Acres attributable to well: 160

QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: _____

_____ feet from ☐ N / ☐ S Line of Section_____ feet from ☐ E / ☐ W Line of SectionSec. _____ Twp. _____ S. R. _____ ☐ East ☐ WestIs 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.

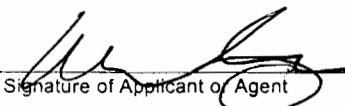
NOTE: In all cases locate the spot of the proposed drilling location.**In plotting the proposed location of the well, you must show:**

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).

RECEIVED
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT CONSERVATION DIVISION
WICHITA, KS

Form CDP-1
 April 2004
 Form must be Typed

Submit in Duplicate

Operator Name: <u>L.D. Hale</u>		License Number: <u>3910</u>
Operator Address: <u>15000 Timber Lake Road Wichita KS 67230</u>		
Contact Person: <u>W. L. Kirkman</u>		Phone Number: <u>(316) 838 -0093</u>
Lease Name & Well No.: <u>Wells 1-35</u>		Pit Location (QQQQ): <u>N/2. N/2 NE/4 .</u> Sec. <u>35</u> Twp. <u>27S</u> R. <u>11</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>330</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>1320</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Pratt</u> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" 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: <u>80</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <u>20</u> Length (feet) <u>6</u> Width (feet) <u>N/A: Steel Pits</u> Depth from ground level to deepest point: <u>5</u> (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. <u>Fluid to be hauled promptly.</u>
Distance to nearest water well within one-mile of pit <u>Est 900</u> feet Depth of water well <u>160</u> feet		Depth to shallowest fresh water <u>30</u> 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: <u>salt mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Haul fluid to disposal well.</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. <div style="display: flex; justify-content: space-between;"> <div> <u>7-11-06</u> Date </div> <div>  Signature of Applicant or Agent </div> </div>		
KCC OFFICE USE ONLY		
Date Received: <u>7/11/06</u> Permit Number: _____ Permit Date: <u>7/12/06</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Steel PITS 15-151-20495-00-01

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

July 12, 2006

Mr. W.L. Kirkman
L.D. Hale
15000 Timber Lake Rd
Wichita, KS 67230

Re: Drilling Pit Application
Wells Lease Well No. 1-35
NE/4 Sec. 35-27S-11W
Pratt County, Kansas

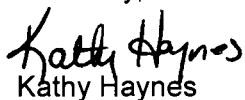
Dear Mr. Kirkman:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. 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.

Sincerely,



Kathy Haynes
Environmental Protection and Remediation Department

Cc: File

KANSAS

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MICHAEL C. MOFFET, COMMISSIONER

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: ☐ Yes ☐ No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:

☐ Yes ☐ No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: ☐ Yes ☐ No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802

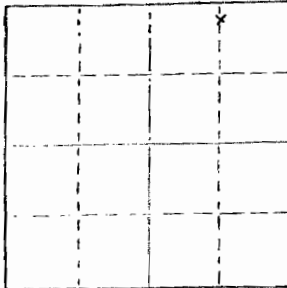
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us

STATE OF KANSAS
CORPORATION COMMISSION

WELL PLUGGING RECORD

15-151-2049500-00

All Information Completely
Required Affidavit
1 or Deliver Report to
Conservation Division
State Corporation Comm.
245 North Water
Wichita, KS 67202

Locate well correctly on above
Section Plot

Pratt County, Sec. 35 Twp. 27S Rge. 11W E4
Location as "NE/CNW/SW" or footage from lines
N/2 N/2 NE/4
Lease Owner Charles Carlock
Lease Name Greider Well No. 1
Office Address 1515 Hillcrest, Newton, KS 67114
Character of Well (Completed as Oil, Gas or Dry Hole)
Dry Hole
Date Well completed April 21, 1978
Application for plugging filed Verbal Application 1978
Application for plugging approved Verbal Approval 1978
Plugging commenced April 21, 1978
Plugging completed April 21, 1978
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 Wm. T. Owen
Producing formation Depth to top Bottom Total Depth of Well 3,760'
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
				8-5/8"	414'	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 hold. If cement or other
plugs were used, state the character of same and depth placed, from feet to
feet for each plug set.

Filled hole with heavy rotary mud from 3,760 ft. (rotary total depth) to
420 ft. Set plug at 420 ft. and cemented with 40 sacks cement. Filled
hole with heavy rotary mud from 420 ft. to 40 ft. Set solid plug at 40 ft.
and cemented to cellar with 10 sacks cement, 5 sacks cement in rat hole.

Plugging operations accomplished utilizing Halliburton Oil Well cementing
pump truck through 4 1/2 inch drill pipe.

RECEIVED
STATE CORPORATION COMMISSION

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

Name of Plugging Contractor Halliburton Services
410 Union Center Bldg., Wichita, Kansas 67202

CONSERVATION DIVISION
Wichita, Kansas

STATE OF Kansas COUNTY OF Sedgwick
Dean Britting, Agent
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) Dean Britting
200 N. Main, Wichita, Kansas 67202
(Address)

SUBSCRIBED AND SWORN TO before me this 25th day of April, 1978

Elsie Willison
Notary Public.

My commission expires June 30, 1978

KANSAS

CORPORATION COMMISSION

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BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

July 13, 2006

L. D. Hale
1500 Timber Lake Road
Wichita, KS 67230

**RE: Wells #1-35
API 15-151-20495-00-01
N/2 N/2 NE/4 Sec. 35-T27-11W
Pratt County, Kansas**

Dear Mr. Hale,

During the drilling operations for exploratory borings (core holes) and wells in the Cunningham Underground Gas Storage Area, a **BLOW-OUT PREVENTOR (B.O.P.)** must be in place as required under K.A.R. 82-3-311(b). K.A.R. 82-3-311(b) states any person, firm or corporation shall maintain the well or test hole in a manner that will protect the stratum or formation at all times against pollution and the escape of natural gas.

If the above-referenced well is determined to be non-productive, the well must be plugged per KCC District #1 instructions. District #1 may be contacted at 620-225-8888

If you have any questions please contact me at 316-337-6200.

Sincerely,



Rick Hestermann
Production Department

cc: Dan Dobbins, Northern Natural Gas
KCC District 1