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owwo

For KCC Use: Effective Date: 7-29-06 District # 2 SGA? [X] Yes [ ] No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

JUN 22 2006

Form C-1 December 2002

NOTICE OF INTENT TO DRILL

KCC WICHITA

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 July 20, 2006

OPERATOR: License# 5123 Name: Pickrell Drilling Company, Inc. Address: 100 S. Main, Suite 505 City/State/Zip: Wichita, Kansas 67202-3738 Contact Person: Larry J. Richardson Phone: 316-262-8427

CONTRACTOR: License# 5123 Name: Company Tools

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

If OWWO: old well information as follows: Operator: Pickrell Drilling Company, Inc. Well Name: 7 Broce A-B Unit Original Completion Date: 1/14/85 Original Total Depth: 4384

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

Spot NW 100' S of NW NW SW of Sec. 29 Twp. 31S S. R. 8 2210 feet from N / [X] S Line of Section 330 feet from E / [X] W Line of Section Is SECTION [X] Regular [ ] Irregular?

(Note: Locate well on the Section Plat on reverse side) County: Harper Lease Name: Broce A-B Unit Well #: 7 Field Name: Spivey-Grabs

Is this a Prorated / Spaced Field? [ ] Yes [X] No Target Formation(s): Mississippian Nearest Lease or unit boundary: 330

Ground Surface Elevation: OGL 1569 feet MSL Water well within one-quarter mile: [X] Yes [X] No Public water supply well within one mile: [ ] Yes [X] No

Depth to bottom of fresh water: 89' 150 Depth to bottom of usable water: 208' 180

Surface Pipe by Alternate: [X] 1 [ ] 2 Length of Surface Pipe Planned to be set: 209' already set

Length of Conductor Pipe required: N/A Projected Total Depth: 4450' Formation at Total Depth: Mississippian

Water Source for Drilling Operations: [ ] Well [ ] Farm Pond Other [X]

DWR Permit #: (Note: Apply for Permit with DWR [ ])

Will Cores be taken? [ ] Yes [X] 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: June 21, 2006 Signature of Operator or Agent: Title: Geologist

For KCC Use ONLY API # 15 - 077-21062-00-01 Conductor pipe required None feet Minimum surface pipe required 209 feet per Alt. 1 Approved by: KJH 7-24-06 This authorization expires: 1-24-07 (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

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KCC WICHITA

**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 - 077-21062-00-01

Operator: Pickrell Drilling Company, Inc.

Lease: Broce A-B Unit

Well Number: 7

Field: Spivey-Grabs

Number of Acres attributable to well: \_\_\_\_\_

QTR / QTR / QTR of acreage: NW - NW - SW

Location of Well: County: Harper

2210 feet from  N /  S Line of Section

330 feet from  E /  W Line of Section

Sec. 29 Twp. 31S S. R. 8  East  West

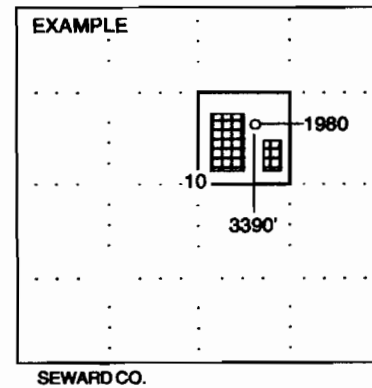
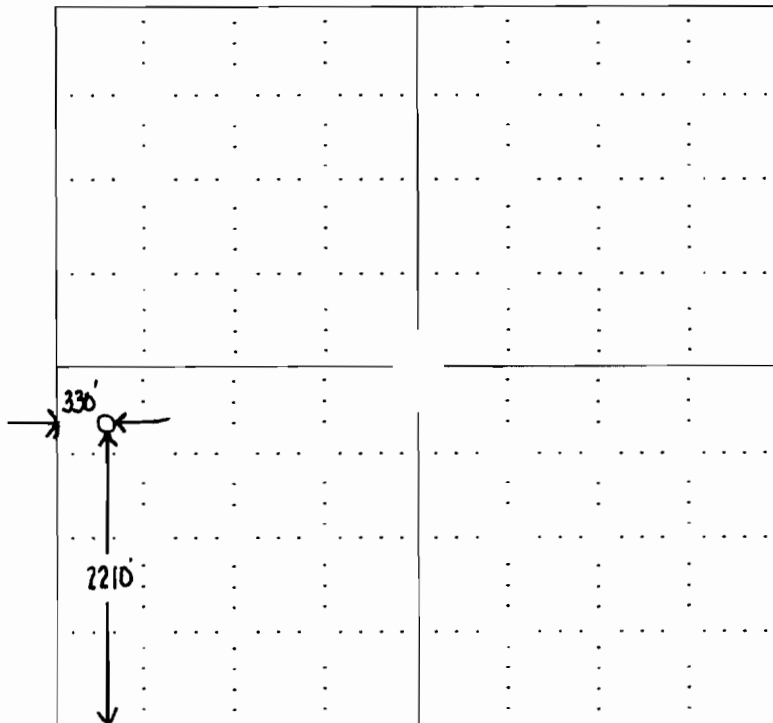
Is Section:  Regular or  Irregular

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.)*



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

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

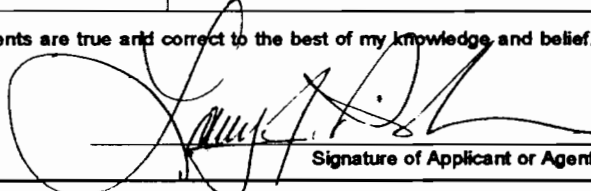
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KCC WICHITA

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>Pickrell Drilling Co. Inc.</b>		License Number: <b>5123</b>
Operator Address: <b>100 S. Main, Suite 505 - Wichita, Kansas 67202-3738</b>		
Contact Person: <b>Mike Kern</b>		Phone Number: ( <b>316</b> ) <b>793 - 5742</b>
Lease Name & Well No.: <b>#7 Brooce A-B Unit</b>		Pit Location (QQQQ): 100' S. of <u>  NW  </u> <u>  NW  </u> <u>  SW  </u> Sec. <u>  29  </u> Twp. <u>  31S  </u> R. <u>  8  </u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>  2210'  </u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>  330'  </u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>  Harper  </u> 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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>  1780  </u> (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 <i>(For Emergency Pits and Settling Pits only)</i>
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 Sealer</b>
Pit dimensions (all but working pits): <u>  50'  </u> Length (feet) <u>  50'  </u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>  4'  </u> average (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 <u>  100  </u> feet    Depth of water well <u>  20  </u> feet		Depth to shallowest fresh water <u>  4  </u> feet. <u>  6  </u> Source of information: <u>  MICKS  </u> _____ measured _____ well owner _____ electric log _____ 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: <u>  Fresh  </u> Number of working pits to be utilized: <u>  2  </u> Abandonment procedure: <u>  Allow to evaporate and backfill when sufficiently dry.  </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 21, 2006  </u> Date		 Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
<b>RF 72 HRS</b>		
Date Received: <u>  6/22/06  </u> Permit Number: _____ Permit Date: <u>  7/21/06  </u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-077-21062-00-01

# KANSAS

CORPORATION COMMISSION

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

July 21, 2006

Mr. Larry J. Richardson  
Pickrell Drilling Company, Inc.  
100 S. Main, Ste 505  
Wichita, KS 67202-3738

RE: Drilling Pit Application  
Broce A-B Unit Lease Well No. 7  
SW/4 Sec. 29-31S-08E  
Harper County, Kansas

Dear Mr. Richardson:

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 within 72 hours of drilling completion.

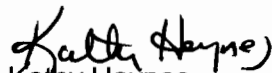
**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

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](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

Environmental Protection and Remediation Department

cc: File

STATE OF KANSAS  
STATE CORPORATION COMMISSION  
200 Colorado Derby Building  
Wichita, Kansas 67202

WELL PLUGGING RECORD  
K.A.R.-82-3-117

Spd 1-5-85 15656-L 1570KG

API NUMBER 15-077-21,062

LEASE NAME Broce A-B Unit

WELL NUMBER #7

SPOT LOCATION 100'S/NW NW SW

SEC. 29 TWP. 31 RGE. 8 ~~###~~ (W)

COUNTY Harper

Date Well Completed 1-14-85

Plugging Commenced 1-14-85

Plugging Completed 1-14-85

TYPE OR PRINT  
NOTICE: Fill out completely  
and return to Cons. Div.  
office within 30 days.

LEASE OPERATOR Pickrell Drilling Company

ADDRESS 110 N. Market, Suite 205, Wichita, KS 67202

PHONE # (316) 262-8427 OPERATORS LICENSE NO. 5123

Character of Well D&A  
(Oil, Gas, D&A, SWD, Input, Water Supply Well)

Did you notify the KCC/KDHE Joint District Office prior to plugging this well? Yes

Which KCC/KDHE Joint Office did you notify? \_\_\_\_\_

Is ACO-1 filed? Yes If not, is well log attached? \_\_\_\_\_

Producing formation None Depth to top \_\_\_\_\_ bottom \_\_\_\_\_ T.D. 4384

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"	209'	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 hole. If cement or other plugs were used state, the character of same and depth placed, from \_\_\_\_\_ feet to \_\_\_\_\_ feet each set.

35sx @ 900', 35sx @ 260', 25sx @ 60' w/solid bridge plug, 10sx rathole

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

Name of Plugging Contractor Pickrell Drilling Company License No. 5123

Address 110 N. Market, Suite 205, Wichita, KS 67202

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STATE CORPORATION COMMISSION

STATE OF Kansas COUNTY OF Sedgwick, ss.

C.W. Sebitts

(employee of operator) or

(operator) of 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 that the same are true and correct, so help me God.

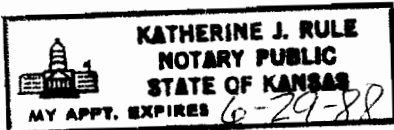
(Signature)

C.W. Sebitts - Partner

(Address)

110 N. Market, Suite 205  
Wichita, KS 67202

SUBSCRIBED AND SWORN TO before me this 23 day of January, 1985



Katherine J. Rule  
Notary Public  
Katherine J. Rule

My Commission expires: June 29, 1988