

FOR KCC USE:

FORM CB-1 12/93

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED IN

EFFECTIVE DATE: 7-29-06

State of Kansas

DISTRICT # 1

CATHODIC PROTECTION BOREHOLE INTENT

SGA? Yes  No

Must be approved by the K.C.C. sixty (60) days prior to commencing well.

Expected Spud (Starting) Date 7-16-06 month day year

Spot (Location) Q/Q/O East  
SE SE Sec 25 Twp 28Ss Rg 36 West  
75' feet from South North line of Section  
450' feet from East West line of Section  
(Circle directions from nearest outside corner boundaries)

OPERATOR: License # 32782

IS SECTION  REGULAR  IRREGULAR?  
(Spot well on the Section Plat on Reverse Side)  
County: Grant

Name: Duke Energy Field Services

Address: Post Office Box 189

City/State/Zip: Forgan, OK 73938

Lease Name: Cognac NE Well #: 1

Contact Person: Doug Sanders

Phone: (620) 482-5019

Facility Name: Cognac NE

Ground Surface Elevation: 3060' MSL.

Cathodic Borehole Total Depth: 200' ft.

Depth to Bedrock: 385' ft.

CONTRACTOR: License #: 32775

Name: McLean's C.P. Installation, Inc.

WATER INFORMATION:

Aquifer Penetration:  None  Single  Multiple

Depth to bottom of fresh water: 385'

Depth to bottom of usable water: 200'

Water well within one-quarter mile:  yes  no

Public water supply well within one mile:  yes  no

Water Source for Drilling Operations:

well  farm pond  stream  other

Water Well Location: .....

DWR Permit #: .....

Standard Dimension Ratio (SDR) is = 26

(cathodic surface OD csg. in inches / MWT in inches = SDR)

CONSTRUCTION FEATURES

Length of Cathodic Surface (Non-Metallic) Casing

Planned to be set: 20' ft.

Length of Conductor pipe (if any?): 20' ft.

17 1/2" - 20' 10" - 180'

Size of the borehole (I.D.): 10" inches

Cathodic surface casing size: 10" inches

Cathodic surface casing centralizers set at depths of: 20'

..... ; ..... ; ..... ; ..... ; ..... ; ..... ; ..... ; ..... ; ..... ; .....

Cathodic surface casing will terminate at:

Above surface  Surface Vault  Below Surface Vault

Pitless casing adaptor will be used:  Yes  No Jet Depth 20' ft.

Anode installation depths are: .188 .168 .148 .128

.108 ..... ; ..... ; ..... ; ..... ; ..... ; ..... ; ..... ; ..... ; .....

Annular space between borehole and casing will be grouted

With:  Concrete  Bentonite Cement

Neat cement  Bentonite clay

Anode vent pipe will be set at: .3 ft. above surface

Anode conductor (backfill) material TYPE: Carbo 60

Depth to BASE of Backfill installation material: 200'

Depth to TOP of Backfill installation material: 20'

\* MAX. Permittal Depth = 200'

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq. It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of and again before plugging well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of cathodic surface casing as specified below shall be set by grouting to the top.
4. An agreement between the operator and the district office on plugs and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or casing is grouted in;
6. 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: 6-15-06 Signature of Operator or Agent: [Signature] Title: Office

FOR KCC USE:  
 API # 15- 067-21623-0000 ACT 3  
 Conductor pipe required NONE feet  
 Minimum cathodic surface casing required 20' feet  
 Approved by: [Signature] 7-24-06  
 This authorization expires: 1-24-07  
 (This authorization void if drilling not started within 6 months of effective date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Install;
- File Completion Form CB-2 within 30 days of spud date;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CB-4) within 30 days after plugging is completed.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202-1286.

RECEIVED  
KANSAS CORPORATION COMMISSION  
JUN 22 2006  
CONSERVATION DIVISION  
WICHITA, KS

25  
20  
36 W.

JUN 22 2006

CONSERVATION DIVISION  
WICHITA, KS

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Show the relationship to other wells or facilities proposed to be serviced by the intended cathodic borehole. Please show all the wells, existing cathodic boreholes, pipelines or facilities within 1/2 mile of the proposed borehole.

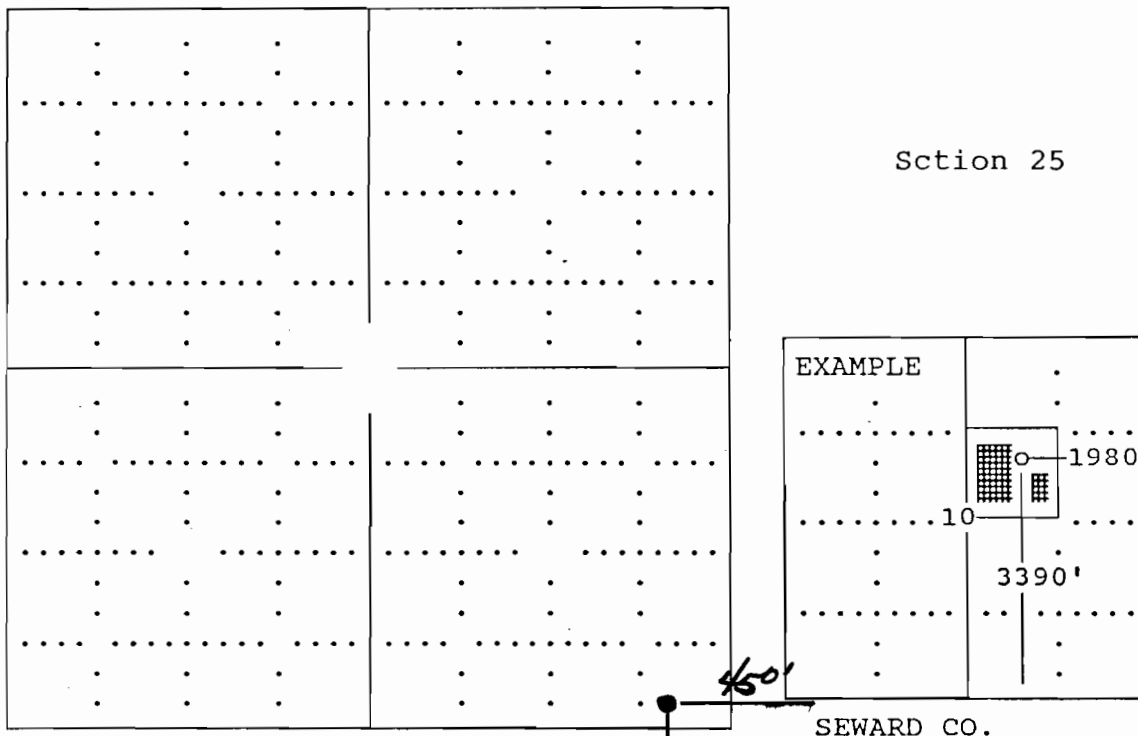
API NO. 15- 067-21623-0000  
 OPERATOR Duke Energy Field Services LOCATION OF WELL: COUNTY Grant  
 LEASE Cognac NE 75' feet from South north line of section  
 WELL NUMBER 1 450' feet from East west line of section  
 FACILITY NAME Cognac NE SECTION 25 TWP 28S RG 36W

SPOT: QTR/QTR/QTR/QTR OF ACREAGE  
SE - SE - SE  
 IS SECTION X REGULAR or IRREGULAR  
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.  
 Section corner used: NE NW SE SW

PLAT

(Show location of intended cathodic borehole.)

(Show footage from nearest lease, unit or outside section boundary line.)



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; and
- 3) the distance to the nearest lease, unit or outside section boundary line.

JUN 22 2006

Form CDP-1  
April 2004  
Form must be Typed

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

CONSERVATION DIVISION  
WICHITA, KS

Submit in Duplicate

Operator Name: Duke Energy Field Services		License Number: 32782
Operator Address: Post Office Box 189 Forgan, OK 73938		
Contact Person: Doug Sanders		Phone Number: ( 620 ) 482 - 5019
Lease Name & Well No.: Cognac NE #1		Pit Location (QQQQ): _____ SE _____ SE _____ SE
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: _____ (bbls)
		Sec. <u>25</u> Twp. <u>28S</u> R. <u>36</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>75'</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>450'</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section _____ Grant _____ County
Is the pit located in a Sensitive Ground Water Area? <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>6m black plastic liner</b>
Pit dimensions (all but working pits): <u>15'</u> Length (feet) <u>6'</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>6'</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>6m black plastic liner layed in pit and edges secured to pit.</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>Pit will only be used for a 2 to 3 day period, then pit will be backfilled</b>
Distance to nearest water well within one-mile of pit <u>2299</u> feet    Depth of water well <u>425</u> feet		Depth to shallowest fresh water <u>220</u> feet. <b>(2)</b> Source of information: <b>KNKES</b> _____ 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: _____ Number of working pits to be utilized: <u>1</u> Abandonment procedure: _____ 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>6-16-06</u> Date		<u>Cindy Cowork</u> Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>6/22/06</u> Permit Number: _____ Permit Date: <u>6/22/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-067-21623-0000