

FOR KCC USE:

FORM CB-1 12/93

FORM MUST BE TYPED

EFFECTIVE DATE: 7-29-06

State of Kansas

FORM MUST BE SIGNED

DISTRICT # 1
SGA? ... Yes No

CATHODIC PROTECTION BOREHOLE INTENT

ALL BLANKS MUST BE FILLED IN

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) a/a/a
SE SE - SE Sec 25 Twp 28S, Rg 36 West
75' feet from South North line of Section
470' 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

Contact Person: Doug Sanders

Lease Name: Cognac NE Well #: 2

Phone: (620) 482-5019

Facility Name: Cognac NE

CONTRACTOR: License #: 32775

Ground Surface Elevation: ± 2600' MSL.
Cathodic Borehole Total Depth: 200' ft.
Depth to Bedrock: 385' ft.

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

WATER INFORMATION:

Type Drilling Equipment: Mud Rotary Cable
 Air Rotary Other

Aquifer Penetration: None Single Multiple

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';
..... ; ; ; ; ; ; ; ; ;

Depth to bottom of fresh water: 385'

Depth to bottom of usable water: 220'

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:

Cathodic surface casing will terminate at:
 Above surface Surface Vault Below Surface Vault

DWR Permit #:

Standard Dimension Ratio (SDR) is = 26
(cathodic surface OD csg. in inches / MWT in inches = SDR)

Pitless casing adaptor will be used: Yes No at Depth ft.

Annular space between borehole and casing will be grouted

with: Concrete Bentonite Cement
 Neat cement Bentonite clay

Anode installation depths are: .188 .168 .148 .128
.108 ; ; ; ; ; ; ; ;

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. Permitted 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: Agent

FOR KCC USE: 067-21624-6000
 API # 15-
 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.

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KANSAS CORPORATION COMMISSION
JUN 22 2006
CONSERVATION DIVISION
WICHITA, KS

25
28
36w

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- 067-21624-0000
OPERATOR Duke Energy Field Services
LEASE Cognac NE
WELL NUMBER 2
FACILITY NAME Cognac NE

LOCATION OF WELL: COUNTY Grant
— 75' feet from south north line of section
— 470' feet from east west line of section
SECTION 25 TWP 28S RG 36W

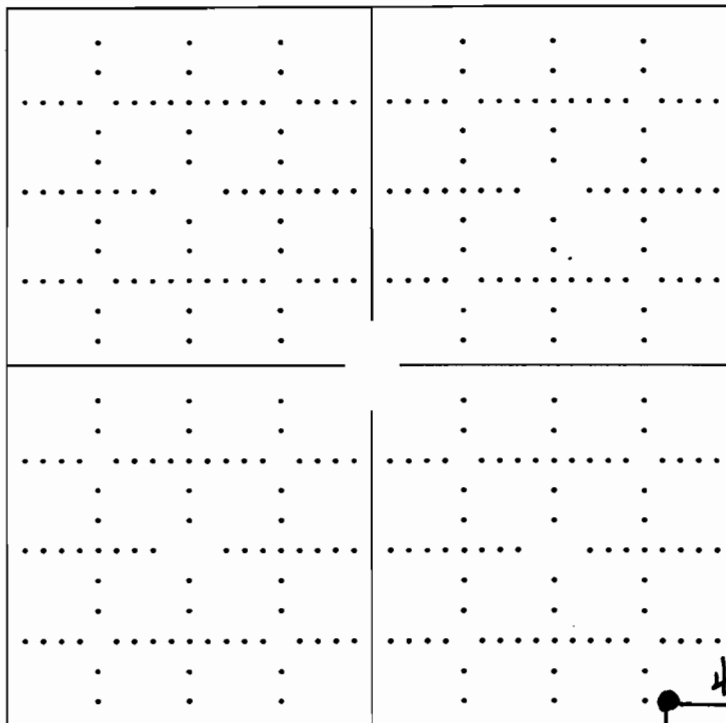
SPOT: QTR/QTR/QTR/QTR OF ACREAGE
— SE - SE - SE

IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
CORNER BOUNDARY.
Section corner used: NE NW SE SW

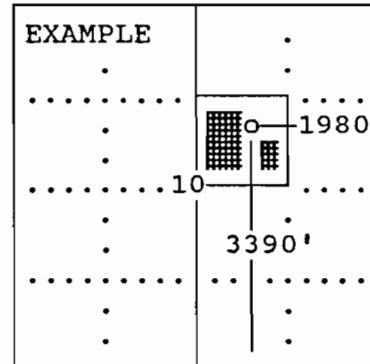
PLAT

(Show location of intended cathodic borehole.)

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



Section 25



SEWARD CO.

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.

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

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 22 2006
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 #2		Pit Location (QQQQ): _____ SE _____ SE _____ SE Sec. 25 Twp. 28S R. 36 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 75' _____ Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 470' _____ Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Grant _____ 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 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: _____ 60 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used? 6m black plastic liner
Pit dimensions (all but working pits): _____ 15' _____ Length (feet) _____ 6' _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ 6' _____ (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 6m black plastic liner layed in pit and edges secured to pit.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Pit will only be used for a 2 to 3 day period, then pit will be backfilled
Distance to nearest water well within one-mile of pit _____ 2295 _____ feet Depth of water well _____ 425 _____ feet		Depth to shallowest fresh water _____ 220 _____ feet. (2) Source of information: _____ KHKS _____ _____ 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: _____ Number of working pits to be utilized: _____ 1 _____ 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. 6-16-06 _____ Date Cindy Cowan _____ Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: 6/22/06 Permit Number: _____ Permit Date: 6/22/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-067-21624-0000