

OWWO

For KCC Use: 8-12-07
Effective Date: 8-12-07
District # 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
December 2002

NOTICE OF INTENT TO DRILL

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 29, 2006
month day year

Spot N2SW - NW - SW Sec. 16 Twp. 28 S. R. 4 East West
1750 feet from N / S Line of Section
4950 feet from E / W Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 33025
Name: Leon C. Smitherman, Jr.
Address: 14331 Tipperary Circle
City/State/Zip: Wichita, KS 67230
Contact Person: Leon C. Smitherman, Jr.
Phone: (316) 733-5434 (316) 323-3620

(Note: Locate well on the Section Plat on reverse side)

County: Butler
Lease Name: Varner Well #: 16-1
Field Name: Augusta

CONTRACTOR: License# 30567
Name: Rig 6 Drilling Company

Is this a Prorated / Spaced Field? Yes No

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

Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 1,199.4 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 120'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate: 1 2

If OWWO: old well information as follows:
Operator: Graham-Michaelis Corporation
Well Name: Varner #8
Original Completion Date: 8-31-65 Original Total Depth: 3,006

Length of Surface Pipe ~~Planned to be set:~~ 131'

Length of Conductor Pipe required: none

Projected Total Depth: 2,530'

Formation at Total Depth: Arbuckle

Directional, Deviated or Horizontal wellbore? Yes No

Water Source for Drilling Operations: Well Farm Pond Other River

If Yes, true vertical depth: _____

DWR Permit #: _____

Bottom Hole Location: _____

(Note: Apply for Permit with DWR)

KCC DKT #: _____

Will Cores be taken? Yes No

If Yes, proposed zone: _____

AFFIDAVIT * 7" casing @ 2537 w/450 ft cwc
RECEIVED
KANSAS CORPORATION COMMISSION

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-61, Sec. 1.
It is agreed that the following minimum requirements will be met:

JUL 24 2006

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: July 24, 2006 Signature of Operator or Agent: Donna Shanda Title: Agent

For KCC Use ONLY
API # 15 - 015-30218-00-01
Conductor pipe required None feet
Minimum surface pipe required 131 feet per Alt. X2
Approved by: Rut 8-7-06
This authorization expires: 2-7-07
(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

16
28
4E

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 - 015-30218-00-01
 Operator: Leon C. Smitherman, Jr.
 Lease: Vamer
 Well Number: 16-1
 Field: Augusta
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: N2SW - NW - SW

Location of Well: County: Butler
 1750 _____ feet from N / S Line of Section
 4950 _____ feet from E / W Line of Section
 Sec. 16 Twp. 28 S. R. 4 East West

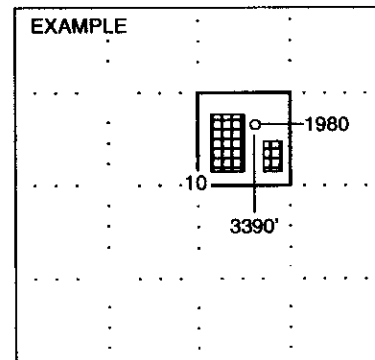
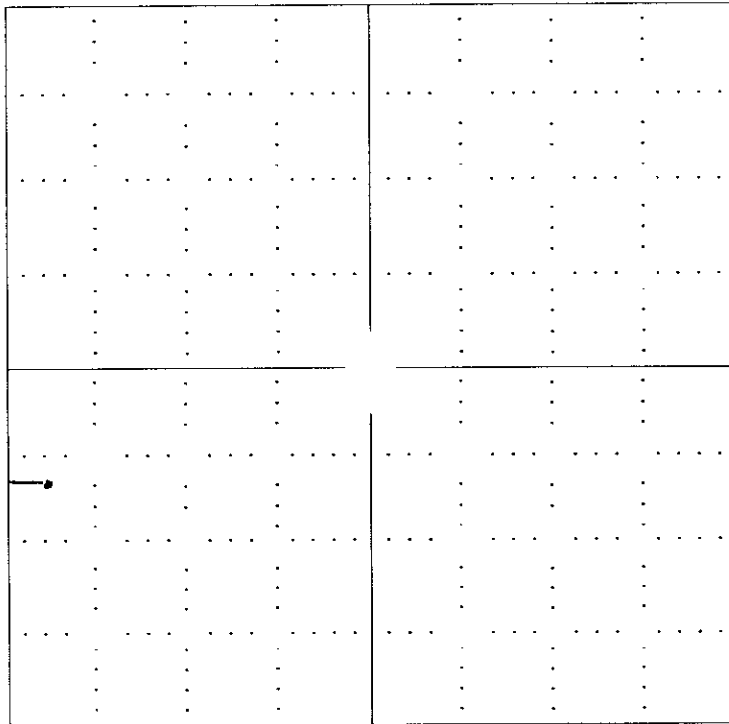
Is Section: Regular or Irregular

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**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Leon C. Smitherman, Jr.		License Number: 33025
Operator Address: 14331 Tipperary Circle, Wichita, KS 67230		
Contact Person: Leon C. Smitherman, Jr.		Phone Number: (316) 733 - 5435
Lease Name & Well No.: Varner #16-1		Pit Location (QQQQ): N2 SW NW SW ✓
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: 4,000 (bbls)	Sec. 16 Twp. 28 R. 4 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1750 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 4950 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Butler County
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? native clay
Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 4 (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 5263 feet Depth of water well 37 feet		Depth to shallowest fresh water 17 feet. Source of information: _____ _____ 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: drilling mud Number of working pits to be utilized: 2 Abandonment procedure: air dry and backfill _____ 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.		
July 24, 2006 Date		<i>Donna Manda</i> Signature of Applicant or Agent

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 24 2006
CONSERVATION DIVISION
WICHITA, KS

15-015-30218-00-01

KCC OFFICE USE ONLY		RF 72 HRS
Date Received: 7/24/06	Permit Number: _____	Permit Date: 8/1/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

KANSAS

CORPORATION COMMISSION

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

August 7, 2006

Mr. Leon C. Smitherman, Jr.
14331 Tipperary Circle
Wichita, KS 67230

RE: Drilling Pit Application
Varner Unit Lease Well No. 16-1
SW/4 Sec. 16-28S-04E
Butler County, Kansas

Dear Mr. Smitherman:

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.

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 CORPORATION COMMISSION
CONSERVATION DIVISION - Plugging Section
130 S. Market, Room 2078
Wichita, Kansas 67202

15-015-30218-000

Corrected Copy

API NUMBER: 8/31/1965, D-12,130
SW,NW,SW SECTION 16 TOWNSHIP 28 RANGE 4E

OPERATOR LICENSE # 5134 1650 FEET FROM S SECTION LINE
4950 FEET FROM E SECTION LINE

OPERATOR GRAHAM-MICHAELS CORPORATION
NAME & P.O. BOX 247
ADDRESS WICHITA, KS 67201

LEASE NAME: VARNER "A" #8
COUNTY: BU
WELL TOTAL DEPTH: 3006'

97.70

PIPE: 7" @ 2537'

SURFACE CASING: 10 3/4" @ 131'

ABANDONED OIL WELL _____ GAS WELL _____ INPUT WELL _____ SWD X D&A _____

OTHER WELL AS HEREINAFTER INDICATED: _____

PLUGGING CONTRACTOR: HOGOBOOM WELL SERVICE
ADDRESS: 767 OIL HILL RD., EL DORADO, KS 67042 LICENSE: #7971

COMPANY TO PLUG AT: HOUR: 13:00 DAY: 15 MONTH: 11 YR: 1995

PLUGGING PROPOSAL RECEIVED FROM: DISTRICT #2

COMPANY NAME: UNITED CEMENTING PHONE: 316-321-4680

WERE: SAND BACK AND SPOT 6 SKS. CMT. @ 2363". SET BRIDGE @ 260'. RUN TUBING TO 250' AND CIRCULATE CMT. TO SURFACE. PULL TUBING OUT OF HOLE AND TOP OFF WITH CMT.

PLUGGING PROPOSAL RECEIVED BY: LOREN JACK

PLUGGING OPERATIONS ATTENDED BY AGENT? ALL (_____) PART (X) NONE (_____)

COMPLETED: HOUR: _____ DAY: 17 MONTH: 11 YEAR: 1995

ACTUAL PLUGGING REPORT:
SANDED BACK AND SPOTTED 6 SKS. CMT. @ 2363'. SET BRIDGE @ 260'. RAN TUBING TO 250' AND CIRCULATED CMT. TO SURFACE. PULLED TUBING OUT OF HOLE AND TOPPED OFF WITH CMT. 11/17/95 CEMENT FELL BACK TO 193'. RAN TUBING TO 193' AND CIRCULATED CMT. TO SURFACE. PULLED TUBING OUT OF HOLE AND TOPED OFF WITH CMT.

REMARKS: UNITED #2561 & 2893, 138 SKS CMT @ 60/40 POZ. 4% GEL. I DID NOT OBSERVE THIS PLUGGING.

RECEIVED
STATE CORPORATION COMMISSION

Jerry Clark (AGENT)

INVOICED BY 29 1995

DATE 12-4-95

INV. NO. 44192

1.1 11-17

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

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

15-015-30218-0000

API NUMBER N/A

LEASE NAME VARNER "A"

WELL NUMBER #8 SWD

1650 Ft. from S Section Line

4950 Ft. from E Section Line

SEC. 16 TWP. 28S RGE. 4E (E) or (W)

COUNTY Butler

Date Well Completed _____

Plugging Commenced 11-13-95

Plugging Completed 11-17-95

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

LEASE OPERATOR Graham-Michaelis Corporation

ADDRESS P.O. Box 247, Wichita, KS 67201

PHONE#() _____ OPERATORS LICENSE NO. _____

Character of Well SWD

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

The plugging proposal was approved on 11-13-95 (date)

by _____ (KCC District Agent's Name).

Is ACO-1 filed? No If not, is well log attached? Yes

Producing Formation Arbuckle Depth to Top _____ Bottom _____ T.D. 2828

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
	Surface			10-3/4"	131'	None
	Prod. Casing			7"	2537'	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.
Pulled fiberglass tubing and dumped 12 feet rock with 10 sx cement on top of rock to build a cement bridge plug @ 2530'. Ran tubing to 256' and cemented to top of hole with 87 sx cement. Job Complete: 11/17/95. Hogboom Well Service

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

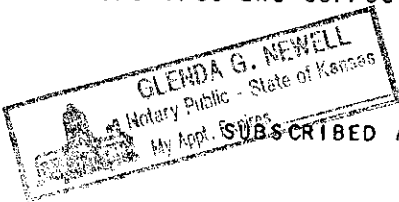
Name of Plugging Contractor HOGOBOOM WELL SERVICE License No. 07971

Address 767 Oil Hill Road, El Dorado, KS 67042

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Graham-Michaelis Corp.

STATE OF Kansas COUNTY OF Sedgwick, ss.

Jack L. Yinger - Vice President (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.



(Address) Jack L. Yinger
P.O. Box 247, Wichita, KS 67201

Glenda G. Newell
Notary Public

My Commission Expires: 7/2/97

Glenda G. Newell

15-015-30218-000

VARNER WELL #8

GRAHAM-MICHAKLIS DRILLING COMPANY

Rotary Total Depth: 2828' RB
Contractor: Rex & Morris
Commenced: 8-31-65
Completed: 9-10-65
Initial Production: SWD Well

Location: SW NW SW
Section 16-28S-4E
Butler County, Kansas

Casing Record:
10 3/4" OD @ 131' RB W/96 Sacks
7" OD @ 2537' RB W/450 Sacks

FORMATION	DEPTH
Surface Hole	131'
Lime & Shale	460'
Shale & Lime	744'
Lime & Shale	2025'
Lime	2203'
Lime & Shale	2433'
Shale	2445'
Lime	2828'
	R.T.D.

I hereby certify the foregoing statements are true and correct to the best of my knowledge and belief.

Rex & Morris Drilling Company

By A. H. Fisher
A. H. Fisher

STATE OF KANSAS
COUNTY OF BUTLER, SS.

Subscribed and sworn to before me, a Notary Public, this 16th day of September, 1965.

Hazel N. Dilts
Hazel N. Dilts, Notary Public

My commission expires: May 5, 1969.