

For KCC Use: 8-2006
 Effective Date: _____
 District # 4
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
 November 2005
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: 08/17/2006
 month day year

Spot Description: 40' south & 190' east *Ret operator*
 NE SE SW Sec. 1 Twp. 20 S. R. 13 E W
 (100/100) 950 feet from N / S Line of Section
2,500 feet from E / W Line of Section

OPERATOR: License# 30606 ✓
 Name: Murfin Drilling Co., Inc.
 Address 1: 250 N. Water, Ste 300
 Address 2: _____
 City: Wichita State: KS Zip: 67202 + _____
 Contact Person: David Doyel
 Phone: 316-267-3241

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)
 County: Barton

CONTRACTOR: License# 30606 ✓
 Name: Murfin Drilling Co., Inc.

Lease Name: Rogers Well #: 1-1
 Field Name: Wildcat
 Is this a Prorated / Spaced Field? Yes No

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

Target Formation(s): LKC, Arbuckle ✓
 Nearest Lease or unit boundary line (in footage): 370 ✓
 Ground Surface Elevation: 1836 feet MSL

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

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: 230

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

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 700 ✓
 Length of Conductor Pipe (if any): 0
 Projected Total Depth: 3500 ✓
 Formation at Total Depth: Arbuckle ✓

Water Source for Drilling Operations:
 Well Farm Pond Other: _____
 DWR Permit #: _____

(Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

Oil & Gas Lease Attached

AFFIDAVIT

RECEIVED
 KANSAS CORPORATION COMMISSION
 AUG 11 2006

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** 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: 8/11/06 Signature of Operator or Agent: Shawn Doyel Title: Agent

For KCC Use ONLY
 API # 15 - 009-24974-0000
 Conductor pipe required None feet
 Minimum surface pipe required 250 feet per ALT. 1
 Approved by: 8-15-06
 This authorization expires: 2-15-07
 (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 (within 60 days);
- 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 Date: _____
 Signature of Operator or Agent: _____

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

1
20
13
 E
 W

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 - 009-24974-000
 Operator: Murfin Drilling Co., Inc.
 Lease: Rogers
 Well Number: 1-1
 Field: Wildcat

Location of Well: County: Barton
 950 feet from N / S Line of Section
 2,500 feet from E / W Line of Section
 Sec. 1 Twp. 20 S. R. 13 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - NE - SE - SW

Is Section: Regular or Irregular

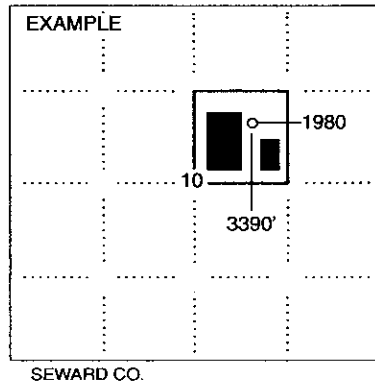
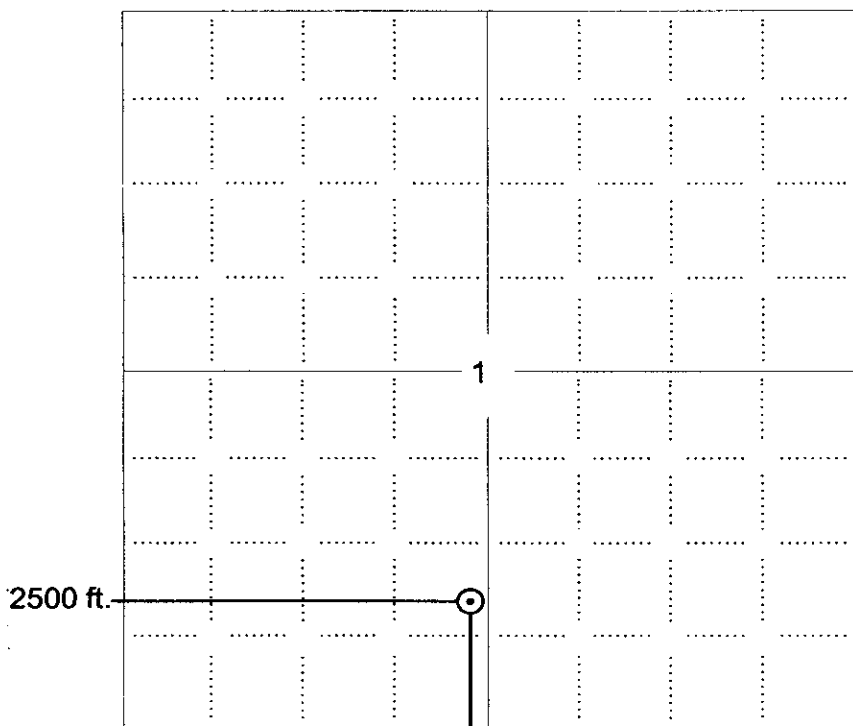
If Section Is Irregular, locate well from nearest corner boundary.

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.

950 ft.

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Murfin Drilling Co., Inc.		License Number: 30606
Operator Address: 250 N. Water, Ste 300		Wichita KS 67202
Contact Person: David Doyel		Phone Number: 316-267-3241
Lease Name & Well No.: Rogers 1-1		Pit Location (QQQQ): <u>NE SE SW</u> Sec. <u>1</u> Twp. <u>20</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>950</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>2,500</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Barton 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 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: 600 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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? Bentonite & Solids from drilling operations self seal pits
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) <u>N/A</u> : Steel Pits Depth from ground level to deepest point: <u>4</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.
		RECEIVED KANSAS CORPORATION COMMISSION AUG 11 2006 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit <u>1264</u> feet Depth of water well <u>130</u> feet	Depth to shallowest fresh water <u>45</u> feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> 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>Bentonite</u> Number of working pits to be utilized: <u>4</u> Abandonment procedure: <u>Allow pits to evaporate until dry then backfill when conditions allow.</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>8/11/06</u> Date	<u><i>Shauna Goldman, Agent</i></u> Signature of Applicant or Agent	

15-009-24974-0000

KCC OFFICE USE ONLY		<i>RFASIC. Call Sand crack.</i>
Date Received: <u>8/11/06</u>	Permit Number: _____	Permit Date: <u>8/15/06</u> 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 15, 2006

Mr. David Doyel
Murfin Drilling Co., Inc.
250 N. Water Ste 300
Wichita, KS 67202

RE: Drilling Pit Application
Rogers Lease Well No. 1-1
SW/4 Sec. 01-20S-13W
Barton County, Kansas

Dear Mr. Doyel:

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 **if sand is encountered during the construction of the reserve pit or working pits, please call the District Office at (785) 625-0550**. The fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased. **Please keep all pits away from any draws.**

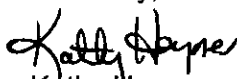
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. 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.

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