

OWWO

For KCC Use: 8-27-06
Effective Date: 2
District # 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date August 21, 2006
month day year

OPERATOR: License# 100
Name: Kansas Corporation Commission
Address: 130 S. Market, Suite 2125
City/State/Zip: Wichita, KS 67202
Contact Person: Doug Louis
Phone: 316 630 4001

CONTRACTOR: License# 31925
Name: Quality Well Service

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

If OWWO: old well information as follows:
Operator: Silver Creek Oil and Gas, Inc.
Well Name: #1 Krug North
Original Completion Date: 1/15/86 Original Total Depth: 3329

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

Spot East West
sw nw se Sec. 2 Twp. 27 S. R. 02
1650 feet from N / S Line of Section
2310 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Sedgwick
Lease Name: Krug North Well #: 1
Field Name: Minneha North
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): none
Nearest Lease or unit boundary: N/A
Ground Surface Elevation: 1375 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: 200
Depth to bottom of usable water: 250
Surface Pipe by Alternate: 1 2
Length of Surface Pipe ~~Planned to be set:~~ 215
Length of Conductor Pipe required: N/A
Projected Total Depth: 500'
Formation at Total Depth: Wellington
Water Source for Drilling Operations:
 Well Farm Pond Other City of Wichita
DWR Permit #: _____
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes 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: 8/18/2006 Signature of Operator or Agent: Doug Louis Title: Division Supervisor

For KCC Use ONLY
API # 15 - 173-20760-00-01
Conductor pipe required None feet
Minimum surface pipe required 215 feet per Alt. 1 X
Approved by: 8-22-06
This authorization expires: 2-22-07
(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: _____

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2
27
2E

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 - 173 - 20760 - 00 - 01
Operator: Kansas Corporation Commission
Lease: Krug North
Well Number: 1
Field: Minneha North
Number of Acres attributable to well: n/a
QTR / QTR / QTR of acreage: sw - nw - se

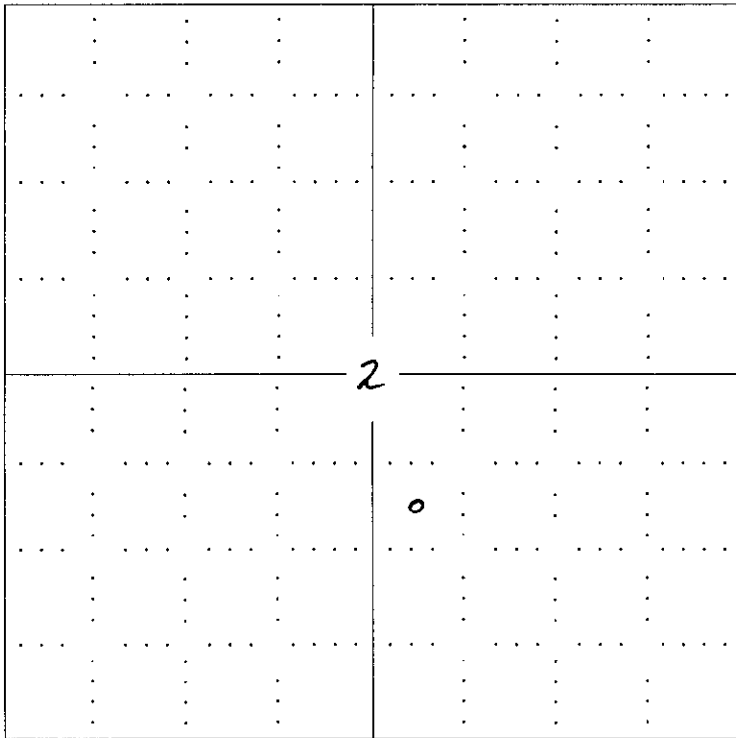
Location of Well: County: Sedgwick
1650 feet from N / S Line of Section
2310 feet from E / W Line of Section
Sec. 2 Twp. 27 S. R. 02 East West

Is Section: Regular or Irregular

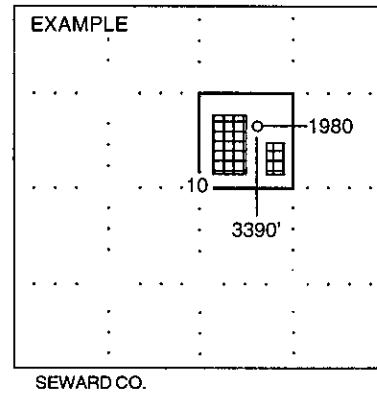
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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.)*



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NOTE: In all cases locate the spot of the proposed drilling location.

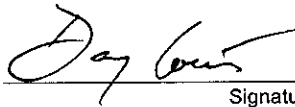
In plotting the proposed location of the well, you must show:

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: Kansas Corporation Commission		License Number: 100
Operator Address: 130 S. Market, Suite 2150		
Contact Person: Doug Louis		Phone Number: (316) 630 - 4001
Lease Name & Well No.: Krug North #1		Pit Location (QQQQ): _____ SW - NW - SE Sec. <u>2</u> Twp. <u>27</u> R. <u>2</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>1650</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>2310</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Sedgwick 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 type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (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 type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <u>XXXXX</u> N/A: Steel Pits Depth from ground level to deepest point: _____ (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 AUG 21 2006 KCC WICHITA
Distance to nearest water well within one-mile of pit <u>1320</u> feet Depth of water well <u>90</u> feet	Depth to shallowest fresh water <u>80</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>mud</u> Number of working pits to be utilized: <u>n/a</u> Abandonment procedure: <u>empty in saltwater disposal</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>August 18, 2006</u> Date	 Signature of Applicant or Agent	

15-173-20760-00-01

KCC OFFICE USE ONLY		Steel Pits
Date Received: <u>8/21/06</u>	Permit Number: _____	Permit Date: <u>8/21/06</u> Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No

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

#2

API NUMBER 15-173-20,760

LEASE NAME Krug North

WELL NUMBER 1

1650 Ft. from S Section Line

2310 Ft. from E Section Line

SEC. 2 TWP. 27S RGE. 2 (E) of (X) (X)

COUNTY Sedgwick

Date Well Completed 1-15-86

Plugging Commenced 1-15-86

Plugging Completed 1-16-86

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

LEASE OPERATOR Silver Creek Oil & Gas, Inc.

ADDRESS 1900 N. Amidon, Suite 221, Wichita, KS 67203

PHONE# (316) 832-0603 OPERATORS LICENSE NO. 5188

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? _____

Which KCC/KDHE Joint Office did you notify? District 2, Warren Kirkpatrick

Is ACO-1 filed? BY OPERATOR If not, is well log attached? _____

Producing Formation _____ Depth to Top _____ Bottom _____ T.D. 3329'

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				8-5/8	215'	

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.

35 sxs - 3300' 10 sxs - RH
35 sxs - 1150'
35 sxs - 230'
15 sxs - 40'

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

Name of Plugging Contractor Allied Cementing Co., Inc. License No. _____

Address Box 31, Russell, KS 67665

STATE OF KANSAS COUNTY OF SEDGWICK, ss.

Vicky Eshelman, Agent (XX 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 that I am a member of the STATE CORPORATION COMMISSION

JAN 30 1986

(Signature) Vicky Eshelman

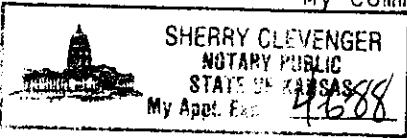
(Address) 251 N. Water, Suite 10

Wichita, KS 67202

SUBSCRIBED AND SWORN TO before me this 28th day of January, 19 86

Sherry Clevenger
 Notary Public

My Commission Expires: April 6, 1988



KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
 Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802

Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us