

For KCC Use: 9-13-06
Effective Date: 3
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
September 1999
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 9-15-06
month day year

OPERATOR: License# 6373 Bailey, Gene M.
Name: Bailey & Bailey Jr. Venture
Address: Box 446
City/State/Zip: Neodesha, Ks. 66757
Contact Person: Gene M. Bailey
Phone: 316-325-2635

CONTRACTOR: License# 33374 ✓
Name: L&S Well Service

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWO	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> Other		

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

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

Spot NE-SW
~~NW-SE~~ - SW Sec. 18 Twp. 30 S. R. 16E East West
780 feet from S / N (circle one) Line of Section
700 feet from E / W (circle one) Line of Section
Is SECTION XX Regular _____ Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Wilson
Lease Name: Laverty Well #: 18
Field Name: Neodesha

Is this a Prorated / Spaced Field? Yes No
Target Information(s): Cherokee (Bartlesville)

Nearest Lease or unit boundary: 560 ✓
Ground Surface Elevation: 800 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: 70
Depth to bottom of usable water: 150

Surface Pipe by Alternate: 2

Length of Surface Pipe Planned to be set: 20
Length of Conductor Pipe required: 0

Projected Total Depth: 950
Producing Formation Target: 850 Bartlesville

Water Source for Drilling Operations:
Well _____ Farm Pond _____ Other XX

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. 55-101, 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. *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: 9-5-06 Signature of Operator or Agent: [Signature] Title: Partner

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KCC WICHITA

For KCC Use ONLY

API # 15 - 205-26951-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. XO 2
Approved by: [Signature] 9-8-06
This authorization expires: 3-8-07
(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 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.

18
30
16E

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 - 205-26951-0000
Operator: Bailey & Bailey
Lease: Lavery
Well Number: 18
Field: Neodesha

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

Location of Well: County: Wilson
780 feet from S / N 78 (circle one) Line of Section
700 feet from E / W (circle one) Line of Section
Sec. 18 Twp. 30 S. R. 16 East West

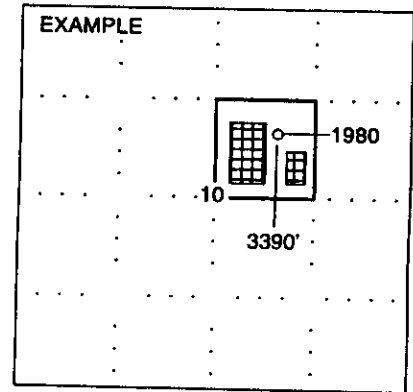
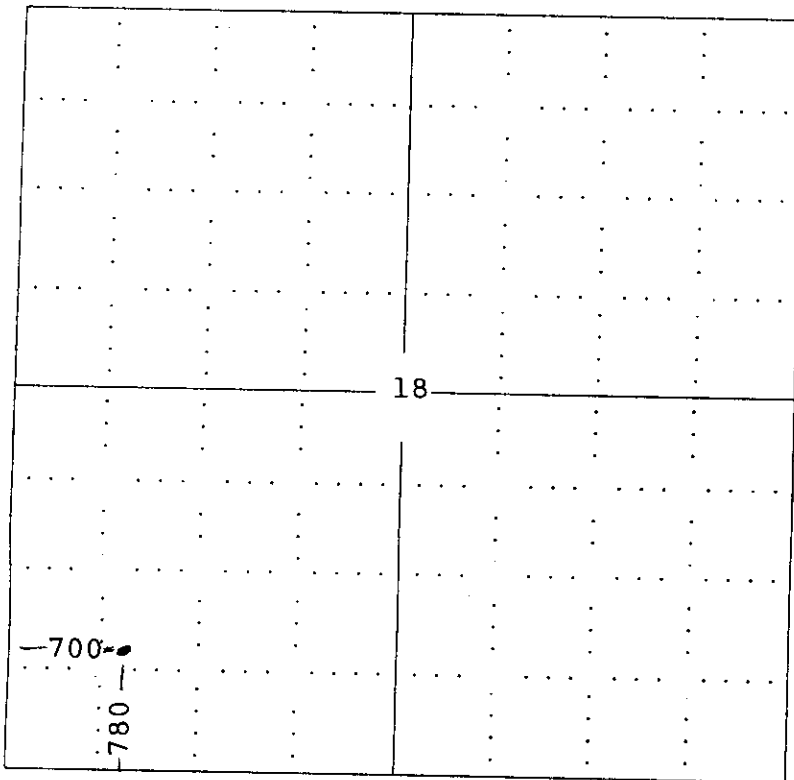
Is Section XX Regular or _____ Irregular

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).

New Application
Reauthorization
(Permit No. _____)

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

Form CDP-1
12/91

APPLICATION FOR SURFACE POND

Submit in Duplicate

FORM MUST BE TYPED

Operator Name Bailey & Bailey Jt. Venture (Gene M. Bailey)		License No. 6373
Operator Address Box 446 Neodesha, Ks. 66757		
Contact Person Gene M. Bailey		Phone No. (620) 325-2635
Lease Name Laverty well #18	Pit is <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If existing, date constructed _____	Pit Location SW Qtr. Sec. 18 Twp. 30 Rge. 16 <input checked="" type="checkbox"/> E/W 780 Ft from N/S (circle one) Line of Sec 700 Ft from E/W (circle one) Line of Sec Wilson County
Type of Pond: <input type="checkbox"/> Burn Pit <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit (If WP Supply API No. or Year Drid. _____)	Pit capacity _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>0</u> mg/l (For Emergency Pits and Treatment Pits only)
Is Pit 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 pit lined if a plastic liner is not used? Clay
Pit dimensions (all but working pits): <u>40</u> Length (ft) <u>8</u> Width (ft) Depth from ground level to deepest point <u>4</u> (ft)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. N/A	Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. N/A	
Distance to nearest water well within one-mile of pit <u>1005</u> ft. Depth of water well <u>27</u> ft.	Depth to shallowest fresh water <u>30 19</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input checked="" type="checkbox"/> electric log <input checked="" type="checkbox"/> KH, KWS <input checked="" type="checkbox"/> LD <input type="checkbox"/> KDWR	
EMERGENCY, TREATMENT 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 pond? <input type="checkbox"/> Yes <input type="checkbox"/> No	DRILLING AND WORKOVER PITS ONLY: Type of material utilized in drilling/workover <u>fresh water</u> Number of working pits to be utilized <u>1</u> Abandonment procedure: <u>Drain & Backfill</u> <u>Drill pits must be closed within 365 days of spud date.</u>	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. <u>7.5-06</u> Date <u>[Signature]</u> Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Rec'd <u>9/2/06</u> Permit No. _____	Permit Date <u>9/2/06</u>	Lease Inspection <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-205-26951-0000

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KCC WICHITA