

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

December 2002 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

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

OPERATOR: License# 30742	Eupoated Soud Date	October 3 2006	C 401 H 5
DPERATOR: Licenses 30742 Name: Patomine Previous	Expected Spud Date	***	
Section Sect		30742	
Address, 4924 SE 54th St.	OPERATOR: License#	um Inc	2600 == =
Courte Prepars (Ref. Pilathous Contact Prepars) (Ref. Pilathous Contact Prepars) (Ref. Pilathous Contact Prepars) (Ref. Pilathous Contact Prepars) (Ref. Pilathous Courty, Mess. Courty,	Name: 4924 SE 84th S	St.	
Contract Person. (Mee R Watchous Prone. (3167 P98-1000 CONTRACTOR: Licenses 5147. Name Beredoo, Inc. Well Delicd For: Well Class: Type Eavipment: Gold	Citu/State/Zin. Newton, K	Cansas 67114-8827	
Phone: [316] 798-1000 Lease Start Well #: 1	Contact Boroon, Klee R. 1	Watchous	
CONTRACTOR: Licanses 5147 Name. Bereado, Inc. Well Drilled For Well Class: Type Equipment: Well Drilled For Well Class: Type Equipment: Well Drilled For Well Class: Type Equipment: Well Class: Type Equipment: Well Class: Type Equipment: Well Class: Type Equipment: Well Class: Well Clas	Phone: (316) 799-1000		Lassa Name: Schuler Unit
Is miss a Prorated / Spaced Field? Target Formation (s) Cherokee Sand Target Formation (s) Cherokee Sand Nocurset Lease or until boundary. 330+ (unit) Mode Rotary Mode Rotary Mode Storage Pool Est. Air Rotary Mode Storage Pool Est. Pool Est. Mode Storage Pool Est. Pool Est. Pool Est. Pool Est. Pool Est. Pool Est. Pool Es			Field Name: Swell NE
Name Berddoo, Inc. Well Class: Type Equipment: Well Dilled For: Well Class: Type Equipment: Mad Rotary M	CONTRACTOR: License	# <u>5147</u>	
Mearest Lease or unit boundary: 330+ (unit) Mearest Lease or uni	Name: Beredco, Inc.		Tarriet Formation(s): Cherokee Sand
Ground Surface Elevation: 2310			
Water well within one-quarter mile:		7,000 40,000	
Public water supply well within nor mile:			
Depth to bottom of fresh water. 180			
Spell to bottom of usable water 900			
If OWWO: old well information as follows: Operator:		of Holes Other	
Length of Surface Pipe Planned to be set: 200- Length of Surface Pipe Planned to be set: 200- Length of Conductor Pipe required. None	Other		
Operator: Weil Name: Original Completion Date: Original Completion Dat	If OWWO: old well inform	nation as follows:	
Projected Total Depth: 4400 Projected Total Depth: Mississipplan Projected Total Depth: Mississipplan Projected Total Depth: Mississipplan Water Source for Drilling Operations: Water Source for			Length of Conductor Pipe required: None
Original Completion Date:Original Total Depth:	•		
Water Source for Drilling Operations: Water Source for Drilling Operations: Well Farm Pond Other Water Source for Drilling Operations: Well Farm Pond Other Will Cores be taken? Will Cores be taken? Will Cores be taken? Where Source for Drilling Operations: (Note: Apply for Permit with DWR) Will Cores be taken? 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. AFFIDAVIT The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. AFFIDAVIT The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. SEP 1 3 2006 CONSERVATION DIVISION 3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface The Pack De 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: (a) 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: (a) 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; (b) If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. (c) If this authorization value of Operator or Agent: File Completion Form ACC-1 within 120 days of spud date; File Completion Form ACC-1 within 120 days of spud da			The state of the s
September 13, 2006 Signature of Operator or Agent: Spud date: Agent's completed within 20 days of spud date: Spud date: Agent's conductor pipe required Agent: Agent: Down the approvate of the state of Operator or Agent: Agent: Down the approvate of the state of Operator or Agent: Spud date: Agent: Down the approvate of the state of Operator or Agent: Spud date: Agent: Down the approvate of the state of Operator of Agent: Down the approvate of the state of the state of the state of Operator or operator Spud date: Agent: Down the state of Operator of the Spud date: Agent: Down the state of Operator of the state of Operator of the Spud date: Dote: Dote			Water Source for Drilling Operations:
Note: Apply for Permit with DWR Will Cores be taken? Wall Cores be taken? Will Cores be taken? Wall Cores be taken? Will Cores be taken? Wall Cores be taken? Will Not Drille Core plant Wall Cores be taken? Wall Cores be taken? Wall Cores be taken? Wall Cores be taken? Wall Cores taken? Wall Cores taken? Wall Cores taken? Wall Cores t	Directional, Deviated or H	Horizontal wellbore?Yes ✓ No	Well ✓ Farm Pond Other
Will Cores be taken? If Yes, proposed zone: Yes No	If Yes, true vertical depth:	***************************************	DWR Permit #:
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 coment to the top; in all cases surface 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 well shall be plugged. In all cases, NOTIFY district office prior to any cementing. For KCC Use ONLY API # 15 - /3.5 - 24545000 Feet productor pipe required	Bottom Hole Location:		(Note: Apply for Permit with DWR)
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3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface 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: September 13, 2006 Signature of Operator or Agent: For KCC Use ONLY API # 15/3524545000 Conductor pipe required	2. A copy of the appr	royed notice of intent to drill shall be posted on e	each drilling rig: CONSERVATION DIVISION
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 pelief. Date: September 13, 2006 Signature of Operator or Agent: For KCC Use ONLY API # 15 - /35 - 24545 000 Conductor pipe required feet Minimum surface pipe required feet Minimum surface pipe required feet per Alt. Approved by: Lett 9 13-06 This authorization expires: 3-13-07 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Date: Spud date: Agent: Date: Date: Date	3. The minimum amo	ount of surface pipe as specified below shall be	set by circulating cement to the top; in all cases surface fire shall be set
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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: September 13, 2006 Signature of Operator or Agent: Title: President For KCC Use ONLY API # 15 - 13.5 - 24545-0000 Feet 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: Date:		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·
President For KCC Use ONLY API # 15 - /35 - 24545 0000 Conductor pipe required			
For KCC Use ONLY API # 15	I hereby certify that the s	statements made herein are true and to the best	of my knowledge and belief.
For KCC Use ONLY API # 15			$\partial \mathcal{N} A + \mathcal{N} $
For KCC Use ONLY API # 15	Date: September 13, 200	D6 Signature of Operator or Agent: \(\)	Title: President
For KCC Use ONLY API # 15			- Remember to:
API # 15			
Conductor pipe required	API # 16 135	-24545-0000	
Approved by: Lett 9-13-06 This authorization expires: 3-13-07 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:	7,111110		- File acreage attribution plat according to field proration orders;
Approved by: Lett 9-13-06 This authorization expires: 3-13-07 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:		200 reer V	N
This authorization expires: 3-13-07 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Spud date: Agent: Date: Agent: Date: 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:			, , , , , , , , , , , , , , , , , , , ,
Check the box below and return to the address below. Spud date: Agent:		7 14 ~~	
Spud date: Agent: Signature of Operator or Agent: Date:		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	- IT this permit has expired (See: authorized expiration date) please check the hox below and return to the address below
Spud date: Agent: Signature of Operator or Agent: Date:	(This authorization void if	f drilling not started within 6 months of effective date.)	
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l e -	Spud date:	Agent.	Date:

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 - 135-24545-0000	Location of Well: County: Ness
Operator: Palomino Petroleum, Inc.	1650 feet from N / S Line of Section
Lease: Schuler Unit	2600
Well Number: 1 Field: Swell NE	Sec. 10 Twp. 18 S. R. 24 East ✓ West
Number of Acres attributable to well:	Is Section: ✓ Regular or ☐ Irregular
QTR / QTR / QTR of acreage:	If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW

PLAT

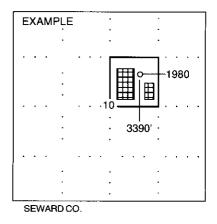
(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

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RECEIVED KANSAS CORPORATION COMMISSION SEP 1 3 2006

CONSERVATION DIVISION WICHTA, KS



NOTE: In all cases locate the spot of the proposed drilling locaton. NESS 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.
- 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: (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: Palomino Petroleum, Inc.			License Number: 30742			
Operator Address: 4924 SE 84th St., Newton, Kansas 67114-8827						
Contact Person: Klee R. Watchous	3		Phone Number: (316) 799 - 1000			
Lease Name & Well No.: Schuler Ur			Pit Location (QQQQ):			
Type of Pit:	Pit is:	40 ° W	of <u>S/2</u>			
Emergency Pit Burn Pit	✓ Proposed	Existing	Sec. 10 _{Twp.} 18S _{R.} 24 ☐ East ✓ West			
Settling Pit	If Existing, date c	onstructed:	Feet from ✓ North / South Line of Section			
Workover Pit Haul-Off Pit	Pit capacity:		2600 Feet from 🗸 East / West Line of Section			
(If WP Supply API No. or Year Drilled)	6800	(bbls)	Ness County			
Is the pit located in a Sensitive Ground Water	Area? ☐ Yes 🗸	No	Chloride concentration: mg/l			
Is the bottom below ground level?	Artificial Liner?		(For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used?			
✓ Yes No	☐ Yes 🗸	No	Drlg. mud and shale from well bore.			
Pit dimensions (all but working pits):	60 Length (fe	eet) 80	Width (feet) N/A: Steel Pits			
Depth fr	om ground level to de	eepest point:	(feet)			
If the pit is lined give a brief description of the material, thickness and installation procedure			dures for periodic maintenance and determining			
material, thickness and matanation procedure		iller integrity, ii	ncluding any special monitoring.			
			KANSAS CORPORATION COMMISSI SEP 1 3 2006			
Distance to nearest water well within one-mile	of pit		west fresh water 22 feet. WICHITA, KS			
feet Depth of water well	35 _{feet}	Source of information measu	mation:			
Emergency, Settling and Burn Plts ONLY:			over and Haul-Off Pits ONLY:			
Producing Formation:		Type of material utilized in drilling/workover: fresh				
Number of producing wells on lease:		Number of worl	king pits to be utilized:2			
Barrels of fluid produced daily:		Abandonment procedure: evaporate and backfill				
Does the slope from the tank battery allow all flow into the pit? Yes No	spilled fluids to	Abandonment procedure:evaporate and backfill Drill pits must be closed within 365 days of spud date. correct to the best of my knowledge and belief.				
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.						
September 13, 2006 Date Signature of Applicant or Agent						
KCC OFFICE USE ONLY						
Date Received: 9 3 0 Permit Num	oer:	Permi	t Date: وا الماد			