

OWWO

For KCC Use: 9-19-06
Effective Date: 4
District # 4
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 9-18-06
month day year

Spot NE NE NE Sec. 8 Twp. 14 S. R. 16
 East West

OPERATOR: License# 9394
Name: D-Oil, Inc.
Address: 402 Main P.O. Box 259
City/State/Zip: Victoria, Ks. 67671
Contact Person: Alfred J. Dreiling
Phone: 785-735-9225

330' feet from N / S Line of Section
380' feet from E / W Line of Section
Is SECTION Regular Irregular?

CONTRACTOR: License# 6426
Name: Express Well Service

(Note: Locate well on the Section Plat on reverse side)
County: Ellis
Lease Name: Schulte A Well #: 1
Field Name: Victoria
Is this a Prorated / Spaced Field? Yes No

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

Nearest Lease or unit boundary: Schulte
Ground Surface Elevation: 1895' 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: 180'
Depth to bottom of usable water: 500' 500'

If OWWO: old well information as follows:
Operator: Melrose Group, Inc.
Well Name: Amos Schulte Twin #1
Original Completion Date: 2-18-84 Original Total Depth: 3440'

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 207' (OWWO)
Length of Conductor Pipe required: NA
Projected Total Depth: 3440'
Formation at Total Depth: Arb.

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

Water Source for Drilling Operations:
 Well Farm Pond Other Truck haul
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:

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SEP 13 2006
KCC WICHITA

- 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: 9-11-06 Signature of Operator or Agent: [Signature] Title: Pres.

For KCC Use ONLY
API # 15 - 051-23818-00-01
Conductor pipe required None feet
Minimum surface pipe required 207 feet per Alt. X2
Approved by: [Signature]
This authorization expires: 3-14-07
(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

8
17
16W

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 - 051-23818 - 00-01

Operator: D-Oil, Inc.

Lease: Schulte A

Well Number: 1

Field: Victoria

Number of Acres attributable to well: 120

QTR / QTR / QTR of acreage: NE - NE - NE

Location of Well: County: Ellis

330' feet from N / S Line of Section

380' feet from E / W Line of Section

Sec. 8 Twp. 14 S. R. 16 East West

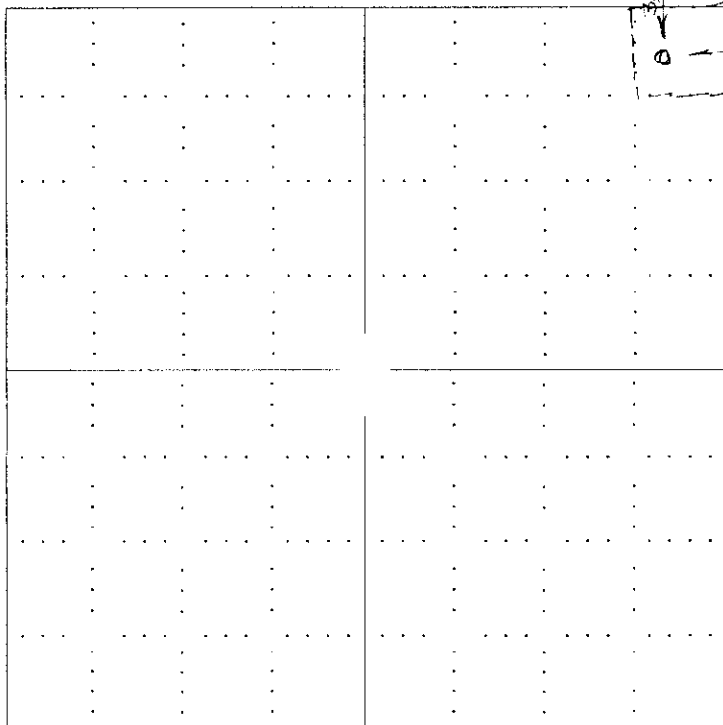
Is Section: Regular or Irregular

If Section is irregular, locate well from nearest corner boundary.

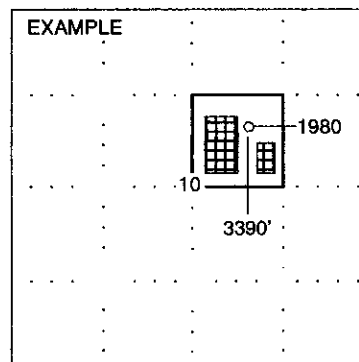
Section corner used: NE NW SE SW

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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SEWARD CO.

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

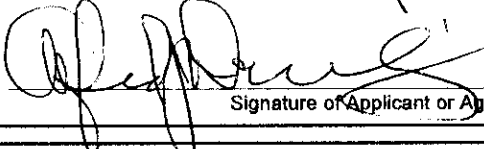
In plotting the proposed location of the well, you must show:

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: D-Oil, Inc.		License Number: 9394
Operator Address: 402 Main P.O. Box 259 Victoria, Ks. 67671		
Contact Person: Alfred J. Dreiling		Phone Number: (785) 735 - 9225
Lease Name & Well No.: Schulte A #1		Pit Location (QQQQ): NE NE NE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" 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 checked="" type="checkbox"/> Existing If Existing, date constructed: 9-8-06 Pit capacity: 200 (bbls)	Sec. 8 Twp. 14 R. 16 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 380 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Ellis County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: NA 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 checked="" 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): 30 Length (feet) 10 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 6 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 6 Mil. Plastic		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA
Distance to nearest water well within one-mile of pit 800 feet Depth of water well 25 feet		Depth to shallowest fresh water 25 feet. KCC WICHITA Source of information: _____ measured <input checked="" type="checkbox"/> 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: Water Number of working pits to be utilized: 1 Abandonment procedure: 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.		
9-8-06 Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 9/13/06 Permit Number: _____ Permit Date: 9/13/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-051-23818-00-01

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

API NUMBER 15-051-23,818-00-00

LEASE NAME Amos Schulte

WELL NUMBER #1

4,950. Ft. from S Section Line

380. Ft. from E Section Line

SEC. 8 TWP. 14S RGE. 16W (E) or (W)

COUNTY Ellis

Date Well Completed 03/18/84

Plugging Commenced 11/30/98

Plugging Completed 12/01/98

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

LEASE OPERATOR Melrose Group, Inc.

ADDRESS P. O. Box 14, Victoria, KS 67671

PHONE (785) 434-2023 OPERATORS LICENSE NO. 30167

Character of Well Oil

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

The plugging proposal was approved on 11/24/98 (date)

by Hubert (Herb) Deines, KCC, Hays, KS (KCC District Agent's Name).

Is ACD-1 filed? Don't Know if not, is well log attached? Attached is copy of log.

Producing Formation Arbuckle, Lansing/KC Depth to Top 3177' Bottom 3412' T.D. 3440'

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
Soil/Shale/Sand		0'	207'	8 5/8	207'	None
Sand/Shale/Lime		0'	3440'	5 1/2	3430'	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 plug were used, state the character of same and depth placed, from feet to feet each set.
Cement visible on back-side from Dakota squeeze. Pressured back-side. Tied to 5 1/2, mixed 50 sacks cement w/250# hulls. Followed w/19 sacks gel. w/150# hulls, & 135 sacks cement w/100# hulls. Topped off well w/80 sacks cement w/100# hulls. Witnessed by Marvin Miller, KCC, Hays, KS

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

Address P. O. Box 31, Russell, KS 67665

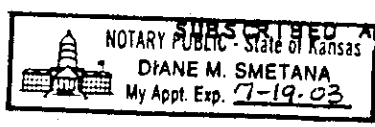
NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Melrose Group, Inc., Paul Gross, Sec./Treas.

STATE OF Kansas COUNTY OF Ellis, ss.

Paul Gross (Employee of Operator) or (Operator) of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts and statements, and matters herein contained and the log of the above-described well as filed and the same are true and correct, so help me God.

(Signature) Paul Gross, Sec./Treas.

(Address) Melrose Group, Inc., P.O. Box 14, Victoria, KS 67671



SUBSCRIBED AND SWORN TO before me this 7th day of September, 19 99

Diane M. Smetana
Notary Public

My Commission Expires: 7-19-03