

OWWO

For KCC Use: Effective Date: 10-9-06
District # 4
SGA? Yes No

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

Form C-1
December 2002
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 October 10 2006
month day year

OPERATOR: License# 7076
Name: Black Diamond Oil, Inc.
Address: P.O. Box 641
City/State/Zip: Hays, KS 67601
Contact Person: Kenneth Vehige
Phone: 785-625-5891
CONTRACTOR: License# 33772
Name: Gaschler Pulling Service, Inc.

Spot NE NW SE Sec. 36 Twp. 5 S. R. 21 East West
2310 feet from N / S Line of Section
1650 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Norton
Lease Name: Wyrill Well #: 2
Field Name: Ray
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Reagan Sand
Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 2211 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: 100
Depth to bottom of usable water: 200-1000
Surface Pipe by Alternate: 1 2 195
Length of Surface Pipe ~~Planned to be set:~~ 200 set in 1947
Length of Conductor Pipe required: None
Projected Total Depth: 3644'
Formation at Total Depth: Reagan Sand
Water Source for Drilling Operations:
 Well Farm Pond Other Lease Salt Water
DWR Permit #: _____
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

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

If OWWO: old well information as follows:
Operator: Oxy USA, Inc.
Well Name: Kitzke #3
Original Completion Date: 6/14/47 Original Total Depth: 3644

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

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: 9/29/2006 Signature of Operator or Agent: _____ Title: Owner

For KCC Use ONLY
API # 15 - 137-19032-00-01
Conductor pipe required None feet
Minimum surface pipe required 195 feet per Alt. XO 2
Approved by: Put 10-4-06
This authorization expires: 4-4-07
(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, 180 S. Market - Room 2078, Wichita, Kansas 67202

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KCC WICHITA

36
5
21W

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 - 137-19032-00-01
Operator: Black Diamond Oil, Inc.
Lease: Wyrill
Well Number: 2
Field: Ray
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: NE - NW - SE

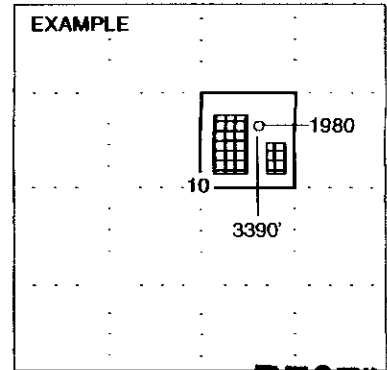
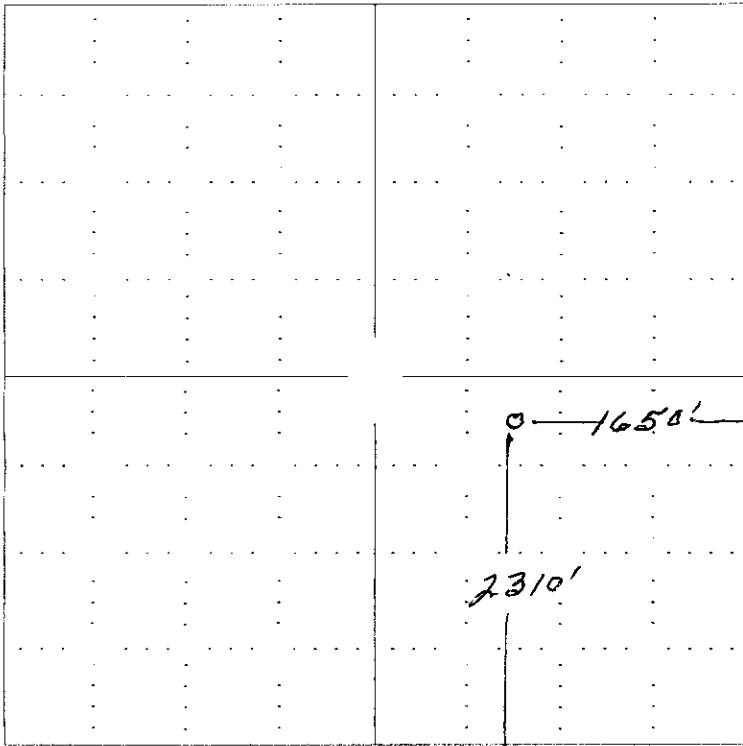
Location of Well: County: Norton
2310 feet from N / S Line of Section
1650 feet from E / W Line of Section
Sec. 36 Twp. 5 S. R. 21 East West

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.)*



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

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

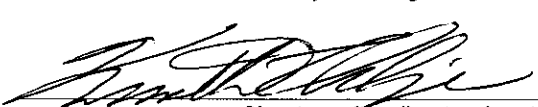
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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).

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OCT - 2 2006
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**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: Black Diamond Oil, Inc.		License Number: 7076
Operator Address: P.O. BOX 641, HAYS, KS 67601		
Contact Person: KENNETH VEHIGE		Phone Number: (785) 625 - 5891
Lease Name & Well No.: Wyrill #2		Pit Location (QQQQ): C - NE - NW - SE
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 checked="" 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: 120 (bbls)	Sec. 36 Twp. 5 R. 21 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2310 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1650 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Norton County
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 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): 8 15 Length (feet) 8 8 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Plastic, 6mm, dig pit & install before filling with water		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Guage fluid level twice a day
Distance to nearest water well within one-mile of pit N/A feet Depth of water well 30 feet		Depth to shallowest fresh water 13 feet. Source of information: KMICW (L) _____ measured _____ 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: Salt water Number of working pits to be utilized: one Abandonment procedure: Haul Fluids to Disposal Well 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.		
9/29/2006 Date	 Signature of Applicant or Agent	RECEIVED OCT - 2 2006 KCC WICHITA

15-137-19032-00-01

KCC OFFICE USE ONLY			
Date Received: 10/2/06	Permit Number: _____	Permit Date: 10/2/06	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

15-137-19032-00 00

STATE OF KANSAS
STATE CORPORATION COMMISSION
130 S. Market, Room 2078
Wichita, KS 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

API NUMBER 15-137-06-14-47

LEASE NAME Kitzke

WELL NUMBER 3

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

2310 ft. from S Section Line

1650 ft. from E Section Line

SEC. 36 TWP. 05 RGE. 21 or (W)

COUNTY Norton

Date Well Completed 06/27/47

Plugging Commenced 11/07/96

Plugging Completed 11/07/96

LEASE OPERATOR OXY USA Inc.

ADDRESS P.O. Box 300; Tulsa, OK 74102-0300

PHONE # (918) 561-2211 OPERATOR'S LICENSE NO. 5447

Character of Well Oil

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

The plugging proposal was approved on October 22, 1996 (date)

by Dennis L. Hamel

Is ACO-1 file? No If not, is well log attached? Yes

Producing Formation Reagan Depth to Top 3632 Bottom 3643 T.D. 3644

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORDS

Formation	Content	From	To	Size	Put in	Pulled out
Reagan	Oil	3634'	3643'	8-5/8"	195'	0
				5-1/2"	3634'	0

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.

Dug out csg & orange peeled 5-1/2" to 8-5/8" csg. Install 2" riser to surface. RU H.L.S. & perf @ 1140' & 1780' w/ 2 spf. MIRU Murfin Drilling, RIH w/ 2-3/8" tbg. Open ended to 3600'. Pumped 65 sxs MIDCON 2 w/ 2% CC and 300# cottonseed hulls. Pulled 48 jts. to 2100'. Pumped 65 sxs cmt & 200# hulls. Pulled tbg to 600'. Pumped 25 sxs cmt & circ to surface. POOH w/ rest of tbg. (continued on back)

Name of Plugging Contractor Halliburton Energy Services License No. 5287

Address 1102 E. 8th St.; Hays, KS 67601

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: OXY USA Inc.

STATE OF Kansas COUNTY OF Rooks, ss.

Kenneth R. Curry (Employee of Operator) or (Operator) 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 help me God.

(Signature)

(Address)

P.O. Drawer D; Plainville, KS 67663

SUBSCRIBED AND SWORN TO before me this 14 day of February, 1997

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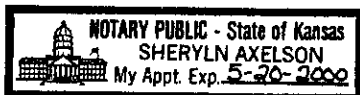
FEB 18 1997

02-18-1997

My Commission Expires: May 20, 2000

WICHITA, KS

Sheryl Axelson
Notary Public



Additional plugging report information for Kitzke #3.

Hooked up to 5-1/2" csg and pumped 20 sxs cmt. Max. P.S.I. 700#. Closed in 5-1/2" @ 700# pres.
Hooked up to 8-5/8" csg and pumped 50 sxs MIDCON 2 cmt w/ 2% CC & 100# hulls. Total 225 sxs
cmt used.