

For KCC Use: 10-25-06
 Effective Date: 10-25-06
 District #: 1
 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 November 1, 2006
month day year

OPERATOR: License# 5146 ✓
 Name: Rains & Williamson Oil Co., Inc.
 Address: 220 W. Douglas, Suite 110
 City/State/Zip: Wichita, KS 67202
 Contact Person: Juanita Green
 Phone: (316) 265-9686

CONTRACTOR: License# 33724 ✓
 Name: Warren Drilling LLC

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil ✓	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield ✓
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

If OWWO: old well information as follows:
 Operator: _____
 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 C - NW Sec. 23 Twp. 32 S. R. 10 East West
1320 feet from N / S Line of Section
1320 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Barber
 Lease Name: Hagan Well #: 3-23
 Field Name: McGuire-Goeman

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippi

Nearest Lease or unit boundary: 1320' ✓

Ground Surface Elevation: 1451 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: 200 180 ✓

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 250' ✓

Length of Conductor Pipe required: None ✓

Projected Total Depth: 4600' ✓

Formation at Total Depth: Mississippi

Water Source for Drilling Operations: Well Farm Pond Other X ✓

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: 10/17/06 Signature of Operator or Agent: Juanita M. Green Title: President

For KCC Use ONLY

API # 15 - 007-23083-0000

Conductor pipe required None feet

Minimum surface pipe required 200 feet per Alt. 1

Approved by: fu 10-20-06

This authorization expires: 4-2007
 (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: _____

RECEIVED

OCT 19 2006

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

KCC WICHITA

23
32
10W

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 - 007-23083-0000
 Operator: Rains & Williamson Oil Co., Inc.
 Lease: Hagan
 Well Number: 3-23
 Field: McGuire-Goeman
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: C - NW - _____

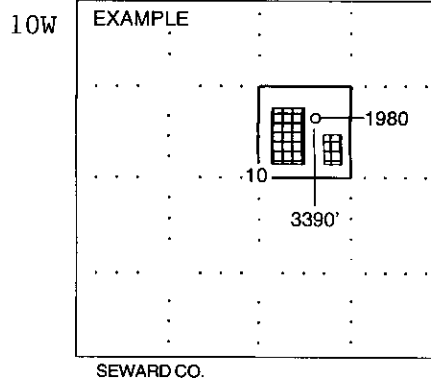
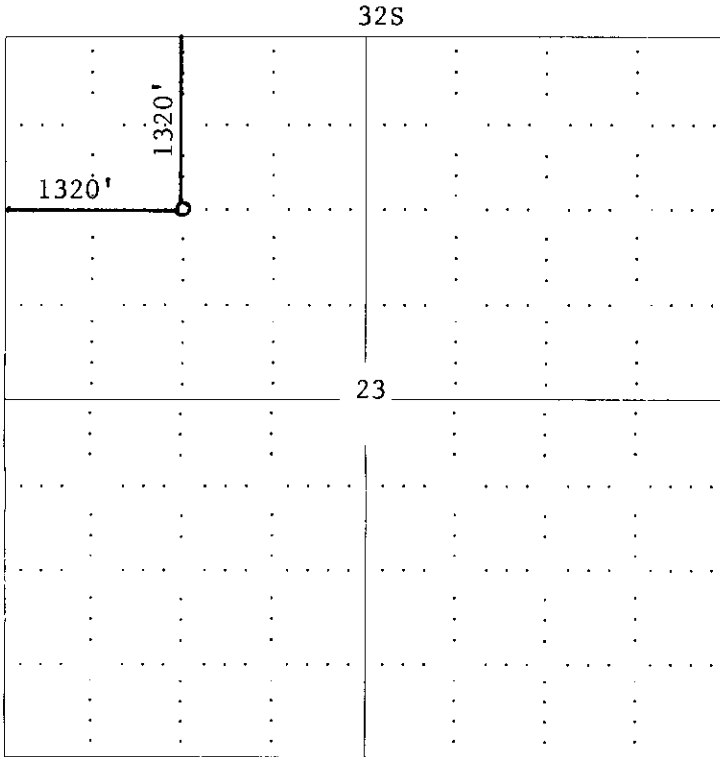
Location of Well: County: Barber
1320 feet from N / S Line of Section
1320 feet from E / W Line of Section
 Sec. 23 Twp. 32 S. R. 10 East West

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 locaton.

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: (CG-7 for oil wells, CG-8 for gas wells).

RECEIVED
OCT 19 2006
KCC WICHITA

**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: <u>Rains & Williamson Oil Co., Inc.</u>		License Number: <u>5146</u>
Operator Address: <u>220 W. Douglas, Suite 110, Wichita, KS 67202</u>		
Contact Person: <u>Juanita Green</u>		Phone Number: <u>(316) 265-9686</u>
Lease Name & Well No.: <u>Hagan #3-23</u>		Pit Location (QQQQ): <u>C - NW - - - - -</u> Sec. <u>23</u> Twp. <u>32</u> R. <u>10</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1320</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>1320</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>BARBER</u> 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 checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <u>Bentonite & Drilling Solids</u>
Pit dimensions (all but working pits): <u>70</u> Length (feet) <u>70</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <u>10 mm plastic, if required</u>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit <u>910</u> feet Depth of water well <u>40</u> feet		Depth to shallowest fresh water <u>21</u> feet. Source of information: <u>KAKW</u> <u>①</u> _____ 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: _____ Number of working pits to be utilized: <u>3-Suction, Shale & Reserve</u> Abandonment procedure: <u>Pits allowed to dry.</u> <u>Backfill when dried.</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>10/17/06</u> Date	<u>Juanita M. Green</u> Signature of Applicant or Agent	

KCC OFFICE USE ONLY		
Date Received: <u>10/19/06</u>	Permit Number: _____	Permit Date: <u>10/20/06</u> Lease Inspection: RECEIVED

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

No deeper 4'
RFAS+C
OCT 19 2006
KCC WICHITA

15-007-23083-000

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

October 20, 2006

Ms. Juanita Green
Rains & Williamson Oil Co., Inc.
220 W. Douglas, Ste 110
Wichita, KS 67202

RE: Drilling Pit Application
Hagan Lease Well No. 3-23
NW/4 Sec. 23-32S-10W
Barber County, Kansas

Dear Ms. Green:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and **no deeper than 4'**. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathy Haynes

Department of Environmental Protection and Remediation

cc: File