

For KCC Use:
 Effective Date: 11-1-06
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

OWWO
 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 Nov. 6 2006
month day year

OPERATOR: License# 33235
 Name: Chieftain Oil Co., Inc.
 Address: P. O. Box 124
 City/State/Zip: Kiowa, Ks. 67070
 Contact Person: Ron Molz
 Phone: 620-825-4030

CONTRACTOR: License# 33789
 Name: D & B Drilling, LLC

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input checked="" type="checkbox"/> OWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input checked="" type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

If OWWO: old well information as follows:
 Operator: Jack Exploration, Inc.
 Well Name: Diel # 1- 16
 Original Completion Date: 7-16-94 Original Total Depth: 5300'

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

Spot East
 West
 C - NW - SW Sec. 16 Twp. 34 S. R. 10
1980 feet from N / S Line of Section
660 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: Blunk Well #: 1

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Miss/Simpson

Nearest Lease or unit boundary: 660'
 Ground Surface Elevation: 1365' 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: 80'
 Depth to bottom of usable water: 180'

Surface Pipe by Alternate: 1 2
 Length of Surface Pipe ~~Planned to be set:~~ 314

Length of Conductor Pipe ~~required:~~ 20'
 Projected Total Depth: 5300

Formation at Total Depth: Simpson
 Water Source for Drilling Operations:
 Well Farm Pond Other _____

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: _____ Signature of Operator or Agent: Krista May Title: Vice Pres.

For KCC Use ONLY
 API # 15 - 15-007-22446-00-01
 Conductor pipe required None feet
 Minimum surface pipe required 314 feet per Alt. 1
 Approved by: KM 10-27-06
 This authorization expires: 4-27-07
 (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: _____

RECEIVED
 OCT 25 2006
 KCC WICHITA

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 - 007-22446-00-01
Operator: Chieftain Oil Co., Inc.
Lease: Blunk
Well Number: 1
Field: _____
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: C - NW - SW

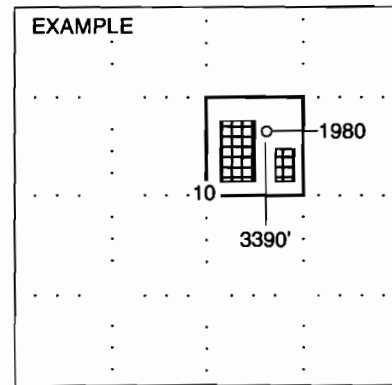
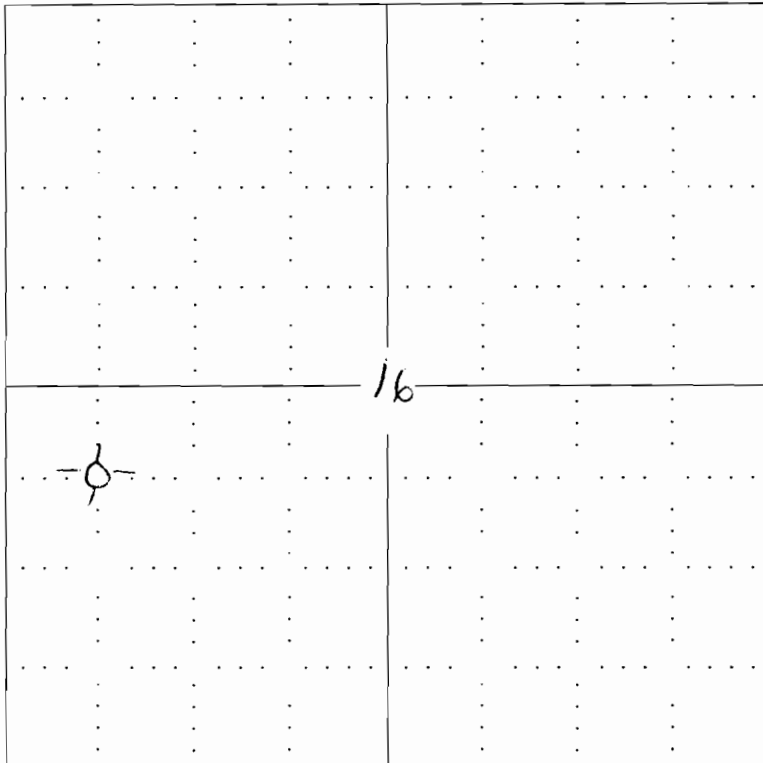
Location of Well: County: Barber
_____ 1980 feet from N / S Line of Section
_____ 660 feet from E / W Line of Section
Sec. 16 Twp. 34 S. R. 10 East West

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 location.

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

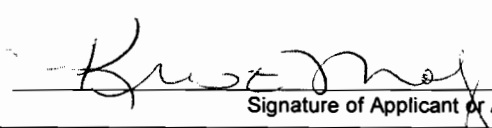
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit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

RECEIVED
OCT 25 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: Chieftain Oil Co., Inc.		License Number: 33235
Operator Address: P. O. Box 124		
Contact Person: Ron Molz		Phone Number: (620) 825 - 4030
Lease Name & Well No.: Blunk # 1		Pit Location (QQQQ): C - NW - SW - Sec. 16 Twp. 34S R. 10 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1980 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 660 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Barber 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: 6000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: 10,000 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?
Pit dimensions (all but working pits): 100 Length (feet) 50 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 1,500 feet Depth of water well 80 feet		Depth to shallowest fresh water 80 feet. 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: Chemical mud Number of working pits to be utilized: 3 Abandonment procedure: Evaporation, haul off fresh water and 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.		
<u>October 23, 2006</u> Date	 Signature of Applicant or Agent	RECEIVED OCT 25 2006
KCC OFFICE USE ONLY		
Date Received: <u>10/25/06</u>	Permit Number: _____	Permit Date: <u>10/26/06</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-007-22446-00-01

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

October 26, 2006

Mr. Ron Molz
Chieftain Oil Co., Inc.
PO Box 124
Kiowa, KS 67070

RE: Drilling Pit Application
Blunk Lease Well No. 1
SW/4 Sec. 16-34S-10W
Barber County, Kansas

Dear Mr. Molz:

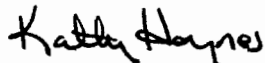
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling 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
Environmental Protection and Remediation Department

cc: File

KANSAS
CORPORATION COMMISSION
Colorado Derby Building
Wichita, Kansas 67202

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

API NUMBER 15-007
~~15~~-22446-0000

LEASE NAME Diel

WELL NUMBER 1-16

1980 Ft. from S Section Line

4620 Ft. from E Section Line

SEC. 16 TWP. 34S RGE. 10 (E) or (W)

COUNTY Barber

Date Well Completed 7/17/94

Plugging Commenced 7/17/94

Plugging Completed 7/17/94

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

LEASE OPERATOR Jack Exploration, Inc.

ADDRESS P.O. Box 1279, Sulphur, OK 73086

PHONE# (405) 622-2310 OPERATORS LICENSE NO. 03086

Character of Well D&A

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

The plugging proposal was approved on 7/17/94 (date)

by Mr. Barlow (KCC District Agent's Name).

Is ACO-1 filed? yes If not, Is well log attached? yes

Producing Formation NA Depth to Top _____ Bottom T.D. 5300'

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
Chase	SW	1770	1780	20"	80	0
Tonkawa	✓	4010	4045	8 5/8"	314	0
Miss	Gas	4666	4688			

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.
50 sks @ 650', 50 sks @ 340', 10 sks @ 40', 15 sks RH, 10 sks MH

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor Allied Cementing License No. _____

Address Medicine Lodge, KS.

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Jack Exploration, Inc.

STATE OF Oklahoma COUNTY OF Murray, ss.

James R. Jack (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) James R. Jack

(Address) P.O. Box 1279, Sulphur, OK 73086

SUBSCRIBED AND SWORN TO before me this 12th day of August 1994

Susan J. Watterson
Notary Public

My Commission Expires: July 22, 1997

RECEIVED
STATE CORPORATION COMMISSION

16 1994

CONSERVATION DIVISION-4
WICHITA, KANSAS 67202-0588