

FOR KCC USE:

EFFECTIVE DATE: 9-25-06

DISTRICT # 2

SGA? X Yes... No

State of Kansas
CATHODIC PROTECTION BOREHOLE INTENT

Must be approved by the K.C.C. sixty (60) days prior to commencing well.

FORM CB-1 12/93

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED IN

Expected Spud (Starting) Date 08 25 2006

Spot (Location) Q/O/O

NW NW SE Sec 10 Twp 26S Rg 5 X East

2870 feet from South / North line of Section

2864 feet from East / West line of Section

(Circle directions from nearest outside corner boundaries)

IS SECTION X REGULAR IRREGULAR?

(Spot well on the Section Plat on Reverse Side)

County: BUTLER

NAME: MAGELLAN PIPELINE COMPANY LLC

Address: 3813 SW 10TH ST

City/State/Zip: EL DORADO, KS 67042

Contact Person: MIKE MULLINAX

Phone: (316) 321-6380 x12

Lease Name: CHASE Well #: 1

Facility Name: CHASE SYSTEM

Ground Surface Elevation: 1320' est. MSL

Cathodic Borehole Total Depth 300' ft.

Depth to Bedrock 300' ft.

WATER INFORMATION:

Aquifer Penetration: None X Single Multiple

Depth to bottom of fresh water: 140'

Depth to bottom of usable water: 180'

Water well within one-quarter mile: X yes no

Public water supply well within one mile: yes X no

Water Source for Drilling Operations: well farm pond stream X other

Water Well Location: stream

DWR Permit #: 26

Standard Dimension Ratio (SDR) is = 26

(cathodic surface OD csg. in inches / MWT in inches = SDR)

Annular space between borehole and casing will be grouted

with: Concrete Bentonite Cement

X Neat cement Bentonite clay

Anode vent pipe will be set at: 300' ft. above surface

Anode conductor (backfill) material TYPE: Loresco SC-3

Depth to BASE of Backfill installation material: 300'

Depth to TOP of Backfill installation material: 180'

CONSTRUCTION FEATURES

Length of Cathodic Surface (Non-Metallic) Casing

Planned to be set: 140' 180' ft.

Length of Conductor pipe (if any?): 180' 140' ft.

Size of the borehole (I.D.): 10" 12" inches

Cathodic surface casing size: 10" 12" inches

Cathodic surface casing centralizers set at depths of: 20' 40' 60' 80' 100' 120' 140' 160' 180' 200' 220' 240' 260' 280' 300' 320' 340' 360' 380' 400' 420' 440' 460' 480' 500' 520' 540' 560' 580' 600' 620' 640' 660' 680' 700' 720' 740' 760' 780' 800' 820' 840' 860' 880' 900' 920' 940' 960' 980' 1000' 1020' 1040' 1060' 1080' 1100' 1120' 1140' 1160' 1180' 1200' 1220' 1240' 1260' 1280' 1300' 1320' 1340' 1360' 1380' 1400' 1420' 1440' 1460' 1480' 1500' 1520' 1540' 1560' 1580' 1600' 1620' 1640' 1660' 1680' 1700' 1720' 1740' 1760' 1780' 1800' 1820' 1840' 1860' 1880' 1900' 1920' 1940' 1960' 1980' 2000' 2020' 2040' 2060' 2080' 2100' 2120' 2140' 2160' 2180' 2200' 2220' 2240' 2260' 2280' 2300' 2320' 2340' 2360' 2380' 2400' 2420' 2440' 2460' 2480' 2500' 2520' 2540' 2560' 2580' 2600' 2620' 2640' 2660' 2680' 2700' 2720' 2740' 2760' 2780' 2800' 2820' 2840' 2860' 2880' 2900' 2920' 2940' 2960' 2980' 3000' 3020' 3040' 3060' 3080' 3100' 3120' 3140' 3160' 3180' 3200' 3220' 3240' 3260' 3280' 3300' 3320' 3340' 3360' 3380' 3400' 3420' 3440' 3460' 3480' 3500' 3520' 3540' 3560' 3580' 3600' 3620' 3640' 3660' 3680' 3700' 3720' 3740' 3760' 3780' 3800' 3820' 3840' 3860' 3880' 3900' 3920' 3940' 3960' 3980' 4000' 4020' 4040' 4060' 4080' 4100' 4120' 4140' 4160' 4180' 4200' 4220' 4240' 4260' 4280' 4300' 4320' 4340' 4360' 4380' 4400' 4420' 4440' 4460' 4480' 4500' 4520' 4540' 4560' 4580' 4600' 4620' 4640' 4660' 4680' 4700' 4720' 4740' 4760' 4780' 4800' 4820' 4840' 4860' 4880' 4900' 4920' 4940' 4960' 4980' 5000' 5020' 5040' 5060' 5080' 5100' 5120' 5140' 5160' 5180' 5200' 5220' 5240' 5260' 5280' 5300' 5320' 5340' 5360' 5380' 5400' 5420' 5440' 5460' 5480' 5500' 5520' 5540' 5560' 5580' 5600' 5620' 5640' 5660' 5680' 5700' 5720' 5740' 5760' 5780' 5800' 5820' 5840' 5860' 5880' 5900' 5920' 5940' 5960' 5980' 6000' 6020' 6040' 6060' 6080' 6100' 6120' 6140' 6160' 6180' 6200' 6220' 6240' 6260' 6280' 6300' 6320' 6340' 6360' 6380' 6400' 6420' 6440' 6460' 6480' 6500' 6520' 6540' 6560' 6580' 6600' 6620' 6640' 6660' 6680' 6700' 6720' 6740' 6760' 6780' 6800' 6820' 6840' 6860' 6880' 6900' 6920' 6940' 6960' 6980' 7000' 7020' 7040' 7060' 7080' 7100' 7120' 7140' 7160' 7180' 7200' 7220' 7240' 7260' 7280' 7300' 7320' 7340' 7360' 7380' 7400' 7420' 7440' 7460' 7480' 7500' 7520' 7540' 7560' 7580' 7600' 7620' 7640' 7660' 7680' 7700' 7720' 7740' 7760' 7780' 7800' 7820' 7840' 7860' 7880' 7900' 7920' 7940' 7960' 7980' 8000' 8020' 8040' 8060' 8080' 8100' 8120' 8140' 8160' 8180' 8200' 8220' 8240' 8260' 8280' 8300' 8320' 8340' 8360' 8380' 8400' 8420' 8440' 8460' 8480' 8500' 8520' 8540' 8560' 8580' 8600' 8620' 8640' 8660' 8680' 8700' 8720' 8740' 8760' 8780' 8800' 8820' 8840' 8860' 8880' 8900' 8920' 8940' 8960' 8980' 9000' 9020' 9040' 9060' 9080' 9100' 9120' 9140' 9160' 9180' 9200' 9220' 9240' 9260' 9280' 9300' 9320' 9340' 9360' 9380' 9400' 9420' 9440' 9460' 9480' 9500' 9520' 9540' 9560' 9580' 9600' 9620' 9640' 9660' 9680' 9700' 9720' 9740' 9760' 9780' 9800' 9820' 9840' 9860' 9880' 9900' 9920' 9940' 9960' 9980' 10000'

Cathodic surface casing will terminate at:

X Above surface Surface Vault Below Surface Vault

Pitless casing adaptor will be used: Yes No at Depth 300' ft.

Anode installation depths are: 295' 285' 275' 265' 255' 245' 235' 225' 215' 205' 195' 185' 175' 165' 155' 145' 135' 125' 115' 105' 95' 85' 75' 65' 55' 45' 35' 25' 15' 5' 0' 10' 20' 30' 40' 50' 60' 70' 80' 90' 100' 110' 120' 130' 140' 150' 160' 170' 180' 190' 200' 210' 220' 230' 240' 250' 260' 270' 280' 290' 300' 310' 320' 330' 340' 350' 360' 370' 380' 390' 400' 410' 420' 430' 440' 450' 460' 470' 480' 490' 500' 510' 520' 530' 540' 550' 560' 570' 580' 590' 600' 610' 620' 630' 640' 650' 660' 670' 680' 690' 700' 710' 720' 730' 740' 750' 760' 770' 780' 790' 800' 810' 820' 830' 840' 850' 860' 870' 880' 890' 900' 910' 920' 930' 940' 950' 960' 970' 980' 990' 1000' 1010' 1020' 1030' 1040' 1050' 1060' 1070' 1080' 1090' 1100' 1110' 1120' 1130' 1140' 1150' 1160' 1170' 1180' 1190' 1200' 1210' 1220' 1230' 1240' 1250' 1260' 1270' 1280' 1290' 1300' 1310' 1320' 1330' 1340' 1350' 1360' 1370' 1380' 1390' 1400' 1410' 1420' 1430' 1440' 1450' 1460' 1470' 1480' 1490' 1500' 1510' 1520' 1530' 1540' 1550' 1560' 1570' 1580' 1590' 1600' 1610' 1620' 1630' 1640' 1650' 1660' 1670' 1680' 1690' 1700' 1710' 1720' 1730' 1740' 1750' 1760' 1770' 1780' 1790' 1800' 1810' 1820' 1830' 1840' 1850' 1860' 1870' 1880' 1890' 1900' 1910' 1920' 1930' 1940' 1950' 1960' 1970' 1980' 1990' 2000' 2010' 2020' 2030' 2040' 2050' 2060' 2070' 2080' 2090' 2100' 2110' 2120' 2130' 2140' 2150' 2160' 2170' 2180' 2190' 2200' 2210' 2220' 2230' 2240' 2250' 2260' 2270' 2280' 2290' 2300' 2310' 2320' 2330' 2340' 2350' 2360' 2370' 2380' 2390' 2400' 2410' 2420' 2430' 2440' 2450' 2460' 2470' 2480' 2490' 2500' 2510' 2520' 2530' 2540' 2550' 2560' 2570' 2580' 2590' 2600' 2610' 2620' 2630' 2640' 2650' 2660' 2670' 2680' 2690' 2700' 2710' 2720' 2730' 2740' 2750' 2760' 2770' 2780' 2790' 2800' 2810' 2820' 2830' 2840' 2850' 2860' 2870' 2880' 2890' 2900' 2910' 2920' 2930' 2940' 2950' 2960' 2970' 2980' 2990' 3000' 3010' 3020' 3030' 3040' 3050' 3060' 3070' 3080' 3090' 3100' 3110' 3120' 3130' 3140' 3150' 3160' 3170' 3180' 3190' 3200' 3210' 3220' 3230' 3240' 3250' 3260' 3270' 3280' 3290' 3300' 3310' 3320' 3330' 3340' 3350' 3360' 3370' 3380' 3390' 3400' 3410' 3420' 3430' 3440' 3450' 3460' 3470' 3480' 3490' 3500' 3510' 3520' 3530' 3540' 3550' 3560' 3570' 3580' 3590' 3600' 3610' 3620' 3630' 3640' 3650' 3660' 3670' 3680' 3690' 3700' 3710' 3720' 3730' 3740' 3750' 3760' 3770' 3780' 3790' 3800' 3810' 3820' 3830' 3840' 3850' 3860' 3870' 3880' 3890' 3900' 3910' 3920' 3930' 3940' 3950' 3960' 3970' 3980' 3990' 4000' 4010' 4020' 4030' 4040' 4050' 4060' 4070' 4080' 4090' 4100' 4110' 4120' 4130' 4140' 4150' 4160' 4170' 4180' 4190' 4200' 4210' 4220' 4230' 4240' 4250' 4260' 4270' 4280' 4290' 4300' 4310' 4320' 4330' 4340' 4350' 4360' 4370' 4380' 4390' 440

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Show the relationship to other wells or facilities proposed to be serviced by the intended cathodic borehole. Please show all the wells, existing cathodic boreholes, pipelines or facilities within 1/2 mile of the proposed borehole.

API NO. 15- 015-23702-0000
 OPERATOR MAGELLAN PIPELINE COMPANY LLC
 LEASE CHASE SYSTEM
 WELL NUMBER _____
 FACILITY NAME CHASE SYSTEM

LOCATION OF WELL: COUNTY BUTLER
2870 feet from south north line of section
2864 feet from east west line of section
 SECTION 10 TWP 26-S RG 5 EAST

SPOT: QTR/QTR/QTR/QTR OF ACREAGE
NW - NW - SE -

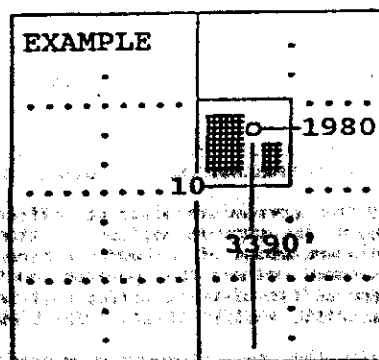
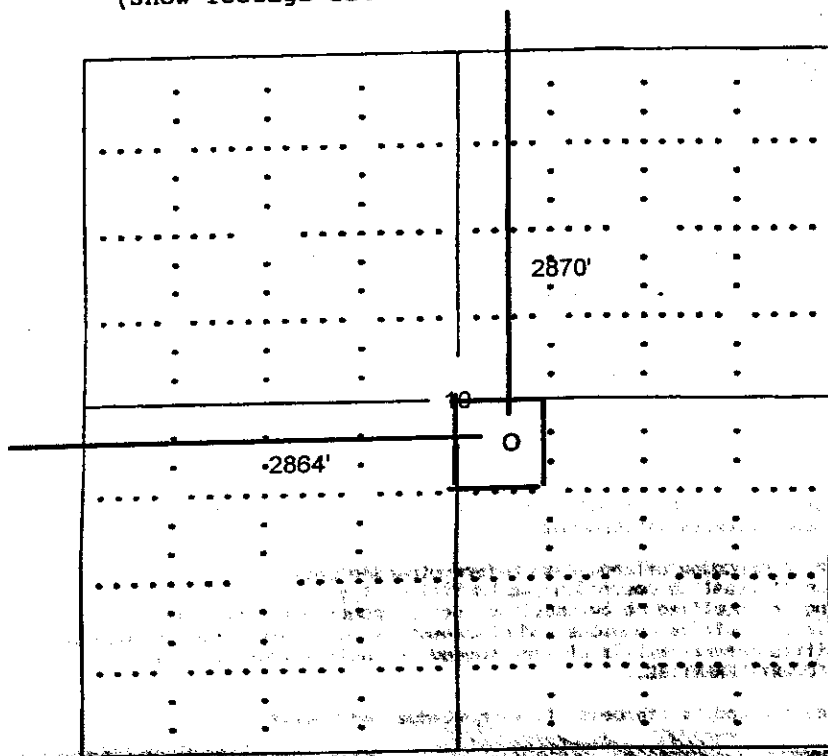
IS SECTION X REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
CORNER BOUNDARY.

Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

(Show location of intended cathodic borehole.)

(Show footage from nearest lease, unit or outside section boundary line.)



SEWARD 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; and
- 3) the distance to the nearest lease, unit or outside section boundary line.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE POND

CORRECTED

Form CDP-1
January 2001
Form must be Typed

Submit in Duplicate

Operator Name: MAGELLAN PIPELINE COMPANY LLC		License Number: 3347T 33883
Operator Address: 3913 SW 10TH EL DORADO, KS 67042		
Contact Person: MIKE MULLINAX		Phone Number: (316) 321-6380 x12
Lease Name: CHASE SYSTEM		Pit Location:
Type of Pond: ___ Emergency Pit ___ Treatment Pit ___ Workover Pit ☒ Drilling Pit ___ Burn Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ___ Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	SE Qtr. Sec. 10 Twp. 26S R. 5 ☒ E ☐ W 2870' Feet from N (circle one) Line of Section 2864' Feet from E / W (circle one) Line of Section BUTLER County
Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Treatment Pits only)
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☒ Yes ☐ No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 15 Length (feet) 6 Width (feet) 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. 6m clear plastic liner, layed in pit and edges secured to pit		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Pit will only be used for 3 - 4 days
Distance to nearest water well within one-mile of pit 183 feet Depth of water well 45 feet		Depth to shallowest fresh water 10 feet. Source of information: Ad 443 ___ measured ___ well owner ☒ electric log 12 KDWR
Emergency, Treatment 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 pond? ☐ Yes ☐ No		Drilling and Workover Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: 1 Abandonment procedure: Fluids will be pumped out and liner folded and back filled. 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.		
Date: 7/25/06		Signature of Applicant or Agent: <i>Mike Mullinax</i> RECEIVED KANSAS CORPORATION COMMISSION SEP 18 2006 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: 9/18/06 Permit Number: _____ Permit Date: _____ Lease Inspection: ☐ Yes ☐ No		

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

15-015-23702-0000