For KCC Use: 12-26-06

Effective Date: 12-26-06

District # 1

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

	January 9,	2007							
Expected Spud Date	month		year	Spot	116	CE	19	30	East
		day	year	ME.				p. 30 S. R.	
OPERATOR: License#	4058				601		<u></u>	≕ ≒	Line of Section
Name: American Warrior, Inc.							_	✓ E /W	Line of Section
P O Box 399				Is SECT	ION _	_Regular _	Irregula	ar?	
City/State/Zip: Garden City, K	S 67846-0399				(Note	: Locate well	on the Section	n Plat on reverse	side)
Contact Person: Cecil O'Brate	1			County:	Clark				
Phone: 620-275-9231				Lease N	lame: Esp	lund		We	_{ell #:} 1-19
					me:				<u></u>
CONTRACTOR: License# 300	006					/ Spaced Fie	eld?		Yes 🗸 No
Name: Murfin Drilling Co	mpany, Inc.			Target F	ormation(s	s): Arbuckie	e		
		Ŧ - -	. da ar a a a	Nearest	Lease or	unit boundar	y: <u>601'</u>		
Well Drilled For:	Well Class:		uipment:			evation: 241			feet MSL
Oil Enh Rec	✓ Infield	_	Rotary	Water w	ell within o	ne-quarter n	nile:		Yes ✓ No
✓ Gas Storage	Pool Ex	<u></u>	Rotary			y well within			Yes ✓ No
OWWO Disposal	Wildcat	Cab	le			f fresh water			
Seismic; # of Hole	es Other					f usable wat			
Other				-		ternate:	·	_	
W COMPANO. The world information of	a a fallannar			Length (of Surface	Pipe Planne	ed to be set:	700'	
If OWWO: old well information				Lenath	of Conduc	tor Pipe requ	uired: N/A		
Operator:				Projecte	d Total De	pth: 5400'			
Well Name:				Formatic	on at Total	Depth:N	lississippiar		
Original Completion Date:_		onginal lotal b	epin			Drilling Opera			
Directional, Deviated or Horizo	ntal wellbore?		Yes 🗸 No			arm Pond	Other X		
If Yes, true vertical depth:									
Bottom Hole Location:								vith DWR 🔲)	
KCC DKT #:				Will Cor	es be take		,	,	Yes ✓ No
				DAVIT					
The undersigned hereby affirm	ms that the dri	lling, completion	on and eventual plu	ugging of th	ıiş well wil	I comply with	h K.S.A. 55	er #RECSI/	/ED
It is agreed that the following	minimum requ	uirements will t	e met:				Kansa	S CORPORATIO	ON COMMISSION
1. Notify the appropriate of	district office p	<i>rior</i> to spuddii	ng of well;						
A copy of the approved	I notice of inte	nt to drill <i>shall</i>	be posted on each	h drilling ri	g;			DEC 18	
3. The minimum amount of	of surface pipe	as specified l	below <i>shall be se</i>	t by circula	ting ceme	nt to the top	in all case; ات	s surface pipe	shall be set
through all unconsolida 4. If the well is dry hole, a	ited materials	plus a minimul hetween the c	n of 20 feet into the	ie unaeriyir İstrict office	ig ionnauc on plug l	ม. enoth and n	Jacement is	ONSERVATION	DÍVISICA es to plugaina:
5. The appropriate district	office will be	notified before	well is either plug	aed or proc	duction cas	sing is ceme	nted in:	HOLDING!	KS F333,
6. If an ALTERNATE II CO	OMPLETION,	production pip	e shall be cemente	ed from bel	low any us	sable water t	to surface w	ithin <i>120 days</i>	of spud date.
Or pursuant to Append	lix "B" - Easte	rn Kansas sur	face casing order	#133,891-C	, which a	pplies to the	KCC Distri	ct 3 area, alter	rnate II cementing
must be completed with	_		_			/)	Y district o	<i>iffice</i> prior to a	ny cementing.
I hereby certify that the state	ments made h	erein are true	and to the best of	my knowle	edge and l	periet.			
D 48, 0000			115/20	/	-1	Y SIL	<u>΄</u> Δ	cent	
Date: December 18, 2006	Signature of (Operator or Ag	jent:	me/	- / 1/		C THE A	gent	
			1	Remem	ber to:	•			
For KCC Use ONLY				- File Dr	rill Pit Appli	cation (form	CDP-1) with	Intent to Drill;	ŀ
API # 15 - 025-2	1394-D	∞	}	- File C	ompletion I	Form ACO-1	within 120 c	lays of spud da	ite;
	None				-	•	•	field proration of	•
Conductor pipe required	വ	7 feet	~\n	•				prior to workove	
Minimum surface pipe requir		feet	per Alt. (1					ing is complete	I
Approved by Pew 12-2	100				_	-	, -	or injecting salt	<i>™</i>
This authorization expires:	6-21-07	<u> </u>			•	•		d expiration date	e) please
(This authorization void if drilli	ing not started w	rithin 6 months o	f approval date.)					idress below.	1
				_		illed - Permi	-		16.
Spud date:	Agent:			Signat	ure of Oper	rator or Agen			——— <i>Yi</i>
<u> </u>			- Division 420 6		.= -	Date			—— 🦻

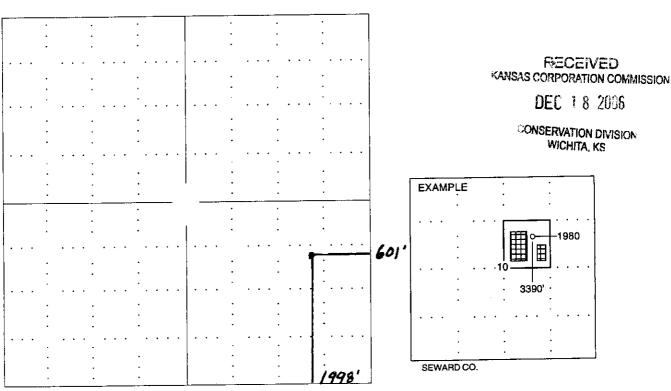
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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 - 025-21394-000	Location of Well: County: Clark
Operator: American Warrior, Inc.	1998 feet from N / V S Line of Section
Lease: Esplund (601 feet from F E / W Line of Section
Well Number: 1-19	Sec. 19 Twp. 30 S. R. 23 ☐ East ✓ Wes
Field:	ls Section: ✓ Regular or ☐ Irregular
Number of Acres attributable to well:	19 October 1 Tregular 1.
QTR / QTR / QTR of acreage:	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: (C0-7 for oil wells; CG-8 for gas wells).

Kansas Corporation Commission Oil & Gas Conservation Division

Form COP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: American Warric	or, Inc	License Number: 4058				
Operator Address: P O Box 399 Garden City, KS 67846-0399						
Contact Person: Cecil O'Brate			Phone Number: (620) 275 - 9231			
Lease Name & Well No.: Esplund	#1-1	9	Pit Location (QQQQ):			
Type of Pit:	Pit is:					
Emergency Pit Burn Pit	Proposed Existing If Existing, date constructed:		Sec. 19 _{Twp.} 30S _{R.} 23 ☐ East ✓ West			
Settling Pit			1998 Feet from North / South Line of Section			
☐ Workover Pit ☐ Haul-Off Pit	Pit capacity:	-	Feet from 🗸 East / 🗌 West Line of Section			
(If WP Supply API No. or Year Drilled)	600	(bbls)	Clark County			
is the pit located in a Sensitive Ground Water	Area? ✓ Yes] No	Chloride concentration: mg/l			
Is the bottom below ground level?	Artificial Liner?		(For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used?			
Yes No	Yes 🗸	No	The state of the s			
Pit dimensions (all but working pits):1	00 Length (fe	eet) 100	Width (feet) N/A: Steel Pits			
·	om ground level to de	,	5 (feet)			
If the pit is lined give a brief description of the material, thickness and installation procedure		· •	edures for periodic maintenance and determining necluding any special monitoring. RECEIVED KANSAS CORPORATION COMMISSION DEC 1 8 2006			
Distance to nearest water well within one-mile	e of pit		west fresh water 10 feet. WICHITA, KS			
1700feet	40 feet	Source of infor	mation: iredwell owner electric log KDWR			
Emergency, Settling and Burn Pits ONLY:			over and Haul-Off Pits ONLY:			
Producing Formation:		Type of material utilized in drilling/workover: Bentonite				
Number of producing wells on lease:		Number of wor	king pits to be utilized:			
Barrels of fluid produced daily:	<u></u>	Abandonment procedure: evaporate then backfill				
Does the slope from the tank battery allow all flow into the pit? Yes No	spilled fluids to	Drill pits must be closed within 365 days of spud date.				
I hereby certify that the above state	ements are true and o	correct to the besi	t of my knowledge and belief.			
December 18, 2006 Date		S	ignature of Applicant or Agent			
KCC OFFICE USE ONLY Start Pito						
Date Received: 12/18/06 Permit Num	nber:	Perm	NLY Steel Pito it Date: 12/20/06 Lease Inspection: Yes No			

KANSAS

CORPORATION COMMISSION

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

December 20, 2006

Cecil O'Brate American Warrior, Inc. PO Box 399 Garden City, KS 67846-0399

Re:

Drilling Pit Application

Esplund Lease Well No. 1-19

SE/4 19-30S-23W Clark County, Kansas

Dear Mr. O'Brate:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms/

Sincerely,

Jonelle Rains, Supervisor

Sønelle Prairie

Environmental Protection and Remediation Department

Cc: Steve Durrant

File

KANSAS

CORPORATION COMMISSION

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

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. D	ISPOSAL (OF DIKE A	AND PIT	CONTENTS
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- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
 - (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
 - (1) A \$1,000 penalty for the first violation;
 - (2) a \$2.500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No
Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: \square Yes \square No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.
Haul-off pit is located in an off-site disposal area on another producing lease or unit operated by the same operator: Yes No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be ocated, to the haul-off pit application.
Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802