

For KCC Use: 12-31-06
Effective Date: 12-31-06
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 apx January 15 2007
month day year

Spot East
C W/2 - NE - SE Sec. 12 Twp. 20 S. R. 12 West

OPERATOR: License# 6039
Name: L. D. DRILLING, INC.
Address: 7 SW 26 AVE
City/State/Zip: GREAT BEND, KS 67530
Contact Person: L. D. DAVIS
Phone: 620-793-3051

1980 feet from N / S Line of Section
990 feet from E / W Line of Section

Is SECTION Regular Irregular?

CONTRACTOR: License# 33369
Name: XTREME WELL SERVICE, INC

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

Lease Name: SCHARTZ OWWO Well #: 7

Field Name: CHASE-SILICA

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): ARBUCKLE

Nearest Lease or unit boundary: 1660' per operator

Ground Surface Elevation: 1787' 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: 125'

Depth to bottom of usable water: 270'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 337'

Length of Conductor Pipe required: NONE

Projected Total Depth: 3350'

Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations:
 Well Farm Pond Other HAUL

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input checked="" 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		<input checked="" type="checkbox"/> Power Swivel

If OWWO: old well information as follows:
Operator: Kaiser-Francis Oil Company

Well Name: Schartz C #5

Original Completion Date: 9/20/1948 Original Total Depth: 3345'

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: December 21, 2006 Signature of Operator or Agent: Bessie Dewitt Title: SEC/TREAS

For KCC Use ONLY

API # 15 - 009-07204-00-01

Conductor pipe required NONE feet

Minimum surface pipe required 337 feet per Alt. 1

Approved by: 12-26-06

This authorization expires: 6-26-07
(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: DEC 22 2006

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

CONSERVATION DIVISION
WICHITA, KS

12
20
12/21

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 - 009-07204-00-01
 Operator: L. D. DRILLING, INC.
 Lease: SCHARTZ OWWO
 Well Number: 7
 Field: CHASE-SILICA
 Number of Acres attributable to well: 10
 QTR / QTR / QTR of acreage: C W/2 - NE - SE

Location of Well: County: BARTON
 1980 feet from N / S Line of Section
 990 feet from E / W Line of Section
 Sec. 12 Twp. 20 S. R. 12 East West

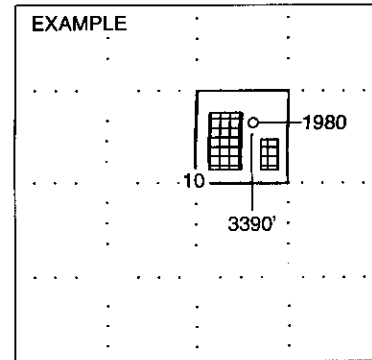
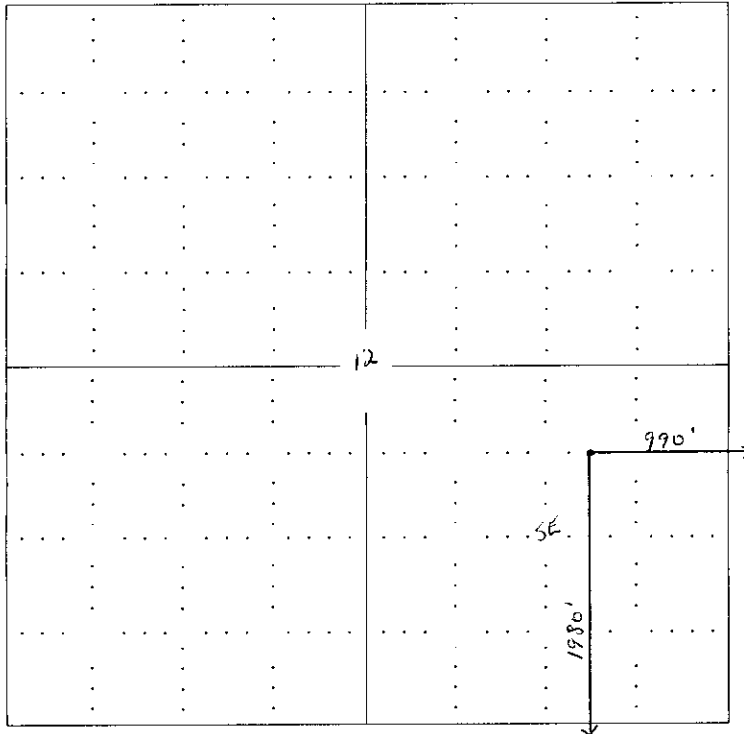
Is Section: Regular or Irregular

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.

SEWARD CO. **RECEIVED**
 KANSAS CORPORATION COMMISSION
 DEC 22 2006

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, 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).

CONSERVATION DIVISION
 KANSAS CORPORATION COMMISSION

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: L. D. DRILLING, INC.		License Number: 6039
Operator Address: 7 SW 26 AVE, GREAT BEND, KS 67530		
Contact Person: L.D. DAVIS		Phone Number: (620) 793 - 3051
Lease Name & Well No.: SCHARTZ #7 OWWO		Pit Location (QQQQ): C W/2 NE/4 SE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input 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> 15-IOG-19011 1948	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 100 (bbls)	Sec. 12 Twp. 20 R. 12 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1980 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 990 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section BARTON County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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 type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 25 Length (feet) 8 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 735 feet Depth of water well 46 feet	Depth to shallowest fresh water 26 feet. / Source of information: JR-KGS _____ 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: _____ Abandonment procedure: USED PIT LINER & WILL PULL WATER OUT & CLOSE PITS IN JUST A FEW DAYS 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.		
DECEMBER 21, 2006 Date	RECEIVED KANSAS CORPORATION COMMISSION DEC 22 2006 <i>Bessie Dewhuff</i> Signature of Applicant or Agent CONSERVATION DIVISION WICHITA, KS	
KCC OFFICE USE ONLY		
Date Received: 12/22/06 Permit Number: _____ Permit Date: 12/22/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Line - Plastic RFASTC		

15-009-07204-00-01

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

December 22, 2006

L D Davis
L D Drilling, Inc.
7 SW 26 Ave
Great Bend KS 67530

Re: Drilling Pit Application
Schartz OWWO Lease Well No. 7
SE/4 12-20S-12W
Barton County, Kansas

Dear Mr. Davis:

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

District staff has recommended that the pit be lined with a plastic liner with a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times.

The free fluids in the pit should be removed after the Hutchinson Salt section has been drilled through and again as soon as practical after drilling operations have ceased. The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 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,



Jonelle Rains, Supervisor
Environmental Protection and Remediation Section

Cc: Herb Deines

LEASE NAME Schartz C

WELL NUMBER 5

1980 Ft. from S Section Line

990 Ft. from E Section Line

SEC. 12 TWP. 20S RGE. 12 (E) or (W)

COUNTY Barton

Date Well Completed 9-20-48

Plugging Commenced 8-18-87

Plugging Completed 8-18-87

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

LEASE OPERATOR Kaiser-Francis Oil Company

ADDRESS P. O. Box 21468, Tulsa, OK 74121-1468

PHONE# (918) 494-0000 OPERATORS LICENSE NO. 6568

Character of Well oil

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

Did you notify the KCC/KDHE Joint District Office prior to plugging this well? yes

Which KCC/KDHE Joint Office did you notify? Dist. 4, Hays, KS

Is ACO-1 filled? on old form if not, is well log attached? -

Producing Formation Arbuckle Depth to Top 3337 Bottom 3345 T.D. 3345

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
Arbuckle	Oil	3337	45	8-5/8	337	-0-
				5-1/2	3337	-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.

Pumped 150 sxs thrifty-mix + 5 sxs hulls from TD to surface. Pumped add'l 50 sxs cmt down annulus.

JOB COMPLETE

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

Name of Plugging Contractor Kaiser-Francis Oil Company License No. 6568

Address P. O. Box 21468, Tulsa, OK 74121-1468

STATE OF Oklahoma COUNTY OF Tulsa, ss.

Charlotte Van Valkenburg (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, and filed that the same are true and correct, so help me God.

(Signature) C. Van Valkenburg
 (Address) P. O. Box 21468, Tulsa, OK 74121

SUBSCRIBED AND SWORN TO before me this 24th day of August, 19 87

Deborah L. Harrell
 Notary Public

My Commission Expires: 12-6-89

RECEIVED
 STATE CORPORATION COMMISSION Form CP-
 Revised 08-84

AUG 27 1987