RECEIVED KANSAS CORPORATION COMMISSION

Kansas Corporation Commission OIL & Gas Conservation Division

For KCC Use:

Effective Date:

Conductor pipe required.

Minimum surface pipe required.

This authorization expires:

Spud date:_

Approved by: Putt- 1-9-0 7

7-9-<u>07</u>

(This authorization void if drilling not started within 6 months of approval date.)

Agent:,

District #

JAN 0 9 2007

File acreage attribution plat according to field proration orders;

Obtain written approval before disposing or injecting salt water.

If this permit has expired (See: authorized expiration date) please

Submit plugging report (CP-4) after plugging is completed;

check the box below and return to the address below.

Date:

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Notify appropriate district office 48 hours prior to workover or re-entry;

Form C-1 December 2002

NOTICE OF INTENT TO DRILL CONSERVATION DIVISIONAL blanks must be signed

Form must be Typed

widst be approved by NOC III	ve (3) days prior to commencing wastomica, nS
Expected Spud Date January 16 2007	Spot
month day year	SW NE SE Sec. 22 Twp. 20s S. R. 12W ✓ West
32924	1370' FSL feet from N / VS Line of Section
OPERATOR: License# 32924 Name: Gilbert-Stewart Operating LLC	1020' FELfeet from/ E /W Line of Section
Address: 1801 Broadway #450	Is SECTION Regular Irregular?
City/State/Zip: Denver, CO 80202	(Note: Locate well on the Section Plat on reverse side)
Contact Person: Kent L. Gilbert	County: Barton
Phone: 303 534-1686	Lease Name: DDK Well #: 6
	Field Name: Chase Silica
CONTRACTOR: License# 33350	Is this a Prorated / Spaced Field? Yes VNo
Name: Southwind Drilling	Target Formation(s): Arbuckle
W 4 B 4 L F	Nearest Lease or unit boundary: 1020'
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation: 1827' feet MSL
✓ Oil ✓ Enh Rec Infield ✓ Mud Rotary ✓	Water well within one-quarter mile: ✓ Yes No
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile:
OWO Disposal Wildcat Cable	Depth to bottom of fresh water: 200'
Seismic;# of Holes [] Other	Depth to bottom of usable water: 230'
Other	Surface Pipe by Alternate: 🗸 1 📄 2
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:
Operator:	Length of Conductor Pipe required:
Well Name:	Projected Total Depth: 3500'
Original Completion Date:Original Total Depth:	Formation at Total Depth: Arbuckle
~	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes ✓ No	Well Farm Pond Other Haul if Necessary/Contr will permit
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	- (Note: Apply for Permit with DWR
KCC DKT #:	- Will Cores be taken? Yes ✓ No
	If Yes, proposed zone:
AE	FIDAVIT
The undersigned hereby affirms that the drilling, completion and eventual	
	progging of this well will comply with K.S.A. 33 et. seq.
It is agreed that the following minimum requirements will be met:	
1. Notify the appropriate district office <i>prior</i> to spudding of well;	nnah drilling rig:
2. A copy of the approved notice of intent to drill shall be posted on a 3. The minimum amount of surface pine 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	· · · · · · · · · · · · · · · · · · ·
	e district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either p	00 1
	ented from below any usable water to surface within 120 days of spud date.
	er #133,891-C, which applies to the KCC District 3 area, alternate II cementing
• •	all 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: 1-8-06 Signature of Operator or Agent:	Title: Manager
Signature of Operator of Agent:	Title.
	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15 - 009-250/6-0000	- File Completion Form ACO-1 within 120 days of spud date;

JAN 0 9 2007

Side Two

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

CONSERVATION DIVISION WICHITA, KS

Plat of acreage attributable to a well in a prorated or spaced field

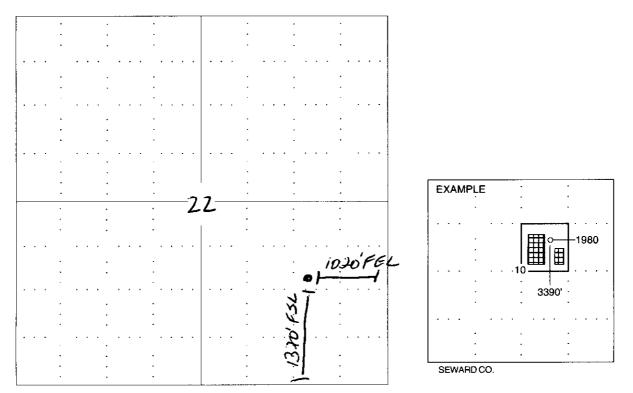
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 009-25016-0000	Location of Well: County: Barton
Operator: Gilbert-Stewart Operating LLC	1370' FSL feet from N / ✓ S Line of Section
Lease: DDK	1020' FEL feet from Feet from FE / W Line of Section
Well Number: 6 Field: Chase Silica	Sec. 22 Twp. 20s S. R. 12W East ✓ West
Number of Acres attributable to well: QTR / QTR / QTR of acreage: SW - NE - SE	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.)

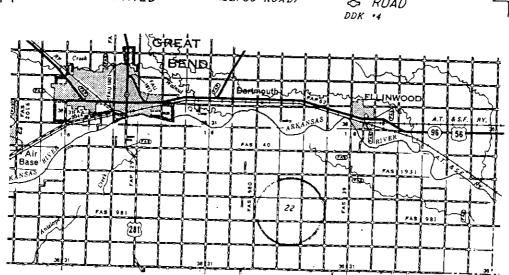


NOTE: In all cases locate the spot of the proposed drilling locaton.

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: (C0-7 for oil wells; CG-8 for gas wells).

RECEIVED HANSAS CORPORATION COMMISSION GILBERT-STEWART OPERATING, LLC DDK LEASE JAN 0 9 2007 SE. 1/4, SECTION 22, T205, R12W BARTON COUNTY, KANSAS CONSERVATION DIVISION WICHITIA, KS 15-009-251016-000 NO (SE. 40 ROAD) ROAD 1. Set (2) wood stakes at location site. DDK •1 2. All flagging Red & Yellow. AVENUE 3. Overhead power available at S. & E. lines. Sec. 22. 4. Kansas One Call System Inc. should be notified before excavation (1-80)-344-7233). 80 5. CAUTION: Various pipelines in Sec. 22. 6. Contact landowner for best access and as to location of wood stakes in wheat. 7. Location fell 65'NE. & 60'SW of !calculated! Divot system wheel tracks, contact landowner ROAD for exact location. 22 Drillsite Location DDK #6 DDK .5 !CALCULATED! PIVOT SYSTEM WHEEL TRACKS 60'NE. & 65'SW. OF LOCATION 1370'FSL 1020'FEL Ground Elevation = 1827 $Y = 592548 \quad X = 1962563$ FIELD ENTRANCE (Mapping Grade GPS Used) Kansas South - NAD 27 WHEAT FLAGGED ROAD OPPOSITE LOC. APPROX. LOCATION CENTER PIVOT IRR. FARMSTEAD PAVED (SE. 50 ROAD) ROAD



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.

Notes:

location as shown on this and may not be legally Contact landowner.

oniy use.

d egress r usage o public u

and for and

*Ingress plat is opened f

20

December 20, 2006

section of land containing 640 acres.

Approximate section lines were determined using the normal standard of care of diffield surveyors proceiving in the state of Kansas. The section corners, which establish the precise section lines, and accessorily located, and the exact location of the artist of establish in the section is not section in the section is not service and the establish in the section is not related to the control of the establish in the section is not service and expenses normal entered to a section is a service and the section is a driver and of losses, costs and expenses and said entities released from any liability from incidental or consequential damages.

[Invations derived from National Geodetic Vertical Datum.]

RECEIVED KANSAS CORPORATION COMMISSION

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

JAN 09 2007

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION WICHITA, KS

Submit in Duplicate

Operator Name: Gilbert-Stewart Operating LLC Operator Address: 1801 Broadway #450 Contact Person: Kent Gilbert Lease Name & Well No: DDK #6 Type of Pit: proposed Existing Pit Location (QQQQ): Setting Pit Duffling Pit Mauh-Off Pit (Pit Capacity: 4571 (bbls) Pit capacity: 4571 (bbls) Pit capacity: 4571 (bbls) Pit dimensions (all but working pits): 80' Length (feet) 80' Wold (eet) Bartonite Pit dimensions (all but working pits): 80' Length (feet) 80' Wold (feet) Ni/A: Steel Pits Depth from ground level to deepest point; 4' (feet) If the pit is lined give a brief description of the iner markedul, thickness and installation procedure. Bentonite from the drilling mud will coat and seal the sides and bottom of the pit during drilling. Distance to nearest water well within one-mile of pit Source of information: measured well will none-mile of pit Source of information: measured well owner electric tog KDVFR Berregency, Settling and Burn Pits ONLY: Type of Patent when well will one miles of pits to dry. Back fill when dry feet fluids after the Hutchinson salt Allow the pits to dry. Back fill when dry feet fluids after the Hutchinson salt Allow the pits to dry. Back fill when dry feet fluids after the Hutchinson salt Allow the pits to dry. Back fill when dry feet fluids after the Hutchinson salt Allow the pits to dry. Back fill when dry. I nereby cartify that the above statements are Irue and correct to the best of my knowledge and belief. KCC OFFICE USE ONLY Vec 1000000000000000000000000000000000000			Dinit ni Dapiidat	· · · · · · · · · · · · · · · · · · ·	
Phone Number: (303) 534 1686	Operator Name: Gilbert-Stewart Op	erating LLC		License Number: 32924	
Pit Location (QQQQ): Type of Pit:	Operator Address: 1801 Broadway	/ #4 50			
Prit Location (QQQQ): Type of Pit:	Contact Person: Kent Gilbert			Phone Number: (303) 534 - 1686	
Syk NE SE Sketting Pit Burn Pit Pit is: Sec 22 Nup 20S R. 12W East West 1370' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from Seat / West Line of Section 1020' Feet from Seating Pits only 1020' Feet from Seat / West Line of Section 1020' Feet from Seat / West Line of Section 1020' Feet from Seat / West Line of Section 1020' Feet from Seat / West Line of Section 1020' Feet from Seat / West Line of Section 1020' Feet from Seat / West Line of Section 1020' Feet from Seat / West Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / South Line of Section 1020' Feet from North / West Line of Section 1020' Feet from North / West Line of Section 1020' Feet from North / West Line of Section 1020' Feet from North / West Line of Section 1020' Feet from 1020'			Pit Location (QQQQ):		
Settling Pit		Pit is:		SW NE SE	
Workover Pit	Emergency Pit Burn Pit	✓ Proposed	Existing	Sec. 22 Twp. 20S R. 12W East We	st
Pit capacity: 4571 Substance of Part Steel Pits Sucressitive producing and search water well within one-mile of pit Substance to nearest water well within one-mile of pit Substance to nearest water well within one-mile of pit Substance to nearest water well within one-mile of pit Substance to nearest water well within one-mile of pit Substance to nearest water well within one-mile of pit Substance to nearest water well within one-mile of pit Substance to nearest water well within one-mile of pit Substance of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No No Steel Pits Substance of Applicant or Agent Signature of Applicant or Agent Substance on Applicant or Agent Signature of Agent Signature of Agent S	Settling Pit	If Existing, date of	onstructed:	Feet from North / 🗸 South Line of S	Section
Supply API No or Year Drilled 4571 (bbls Barton County	Workover Pit Haul-Off Pit	Dit canacity:	 	1020' Feet from 🗸 East / West Line of S	Section
Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes No	(If WP Supply API No. or Year Drilled)	1	(bbls)	Barton	
Is the bottom below ground level? Artificial Liner? How is the pit lined if a plastic liner is not used? Yes No	Is the pit located in a Sensitive Ground Water	Area? ✓ Yes	No		
Pit dimensions (all but working pits): 80' Length (feet) Depth from ground level to deepest point: 4' (feet) Bentonite Sol' Width (feet) N/A: Steel Pits					
Pit dimensions (all but working pits): 80' Length (feet) 80' 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. Bentonite from the drilling mud will coat and seal the sides and bottom of the pit during drilling. Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Bentonite will stay in place until the pit is squeezed and closed closed Depth to shallowest fresh water 20' est 39 feet. Source of information: ———————————————————————————————————		Artificial Liner?		· ·	
Depth from ground level to deepest point: 4'	✓ Yes No	∐ Yes ✓	No	Bentonite	
Iner integrity, including any special monitoring. Bentonite from the drilling mud will coat and seal the sides and bottom of the pit during drilling. Distance to nearest water well within one-mile of pit Depth to shallowest fresh water 20' est 39 feet. Source of information: 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? Yes No I hereby certify that the above statements are true and correct to the best of my knowledge and belief. I hereby certify that the above statements are true and correct to the best of my knowledge and belief. I hereby carries and installation procedure. I hereby certify that the above statements are true and correct to the best of my knowledge and belief. I hereby carries and installation procedure. I hereby certify that the above statements are true and correct to the best of my knowledge and belief. I hereby carries and installation procedure. I hereby certify that the above statements are true and correct to the best of my knowledge and belief. Signature of Applicant or Agent	Depth f	rom ground level to de	eepest point: 4'	(feet)	
Source of information:	seal the sides and bottom of the pit during clos			vill stay in place until the pit is squeezed	and
Emergency, Settling and Burn Pits ONLY: Producing Formation:	Distance to nearest water well within one-mile of pit Depth to shall Source of info		Depth to shallo Source of infor	west fresh water 20' est 39 feet.	
Producing Formation:	feet Depth of water well	1\3 feet	measu	redwell owner electric logKDV	٧R
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? I hereby certify that the above statements are true and correct to the best of my knowledge and belief. Abandonment procedure: Haul of any free fluids after the Hutchinson salt. Allow the pits to dry. Back fill when dry. 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. Signature of Applicant or Agent	5 C			-	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. 1-8-06 Date Signature of Applicant or Agent	Producing Formation:		Type of material utilized in drilling/workover: Fresh Water/Bentonite		
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. 1-8-06 Date Signature of Applicant or Agent	· · · · · · · · · · · · · · · · · · ·			king pits to be dillized.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. 1-8-06 Date Signature of Applicant or Agent	Barrels of fluid produced daily: Abandonment		procedure: Haul of any free fluids after the Hutchinson sa	alt.	
1-8-06 Date Act Gillest	Does the slope from the tank battery allow all spilled fluids to				
Date Signature of Applicant or Agent	I hereby certify that the above state	ements are true and o	correct to the bes	t of my knowledge and belief.	
	1-8-06	6	Kent	L.Gilbert	;
KCC OFFICE USE ONLY Call eactr Sand RFASHC	Date		S	ignature of Applicant or Agent	
, , , , , , , , , , , , , , , , , , ,	1 4	КСС	OFFICE USE O	NLY Callenters.	and tc

Date Received: 1 9 Permit Number: Permit Date: 1 9 C Lease Inspection: Yes No



CORPORATION COMMISSION

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

January 9, 2007

Mr. Kent L. Gilbert Gilbert-Stewart Operating, LLC 1801 Broadway #450 Denver CO 80202

RE: Drilling Pit Application DDK Lease Well No. 6 SE/4 Sec. 22-20S-12W Barton County, Kansas

Dear Mr. Gilbert:

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 if sand is encountered during the construction of the reserve pit or working pits, please call the District Office at (785) 625-0550. The 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. Please keep all pits away from any draws.

If production casing is set all completion fluids shall be removed from the working pits daily. <u>NO</u> 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 (785) 625-0550 when the fluids have been removed. Please file form CDP-5, 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