

For KCC Use:  
 Effective Date: 1-31-07  
 District #: 2  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

Must be approved by the K.C.C. five (5) days prior to commencing well

Form C-1  
 December 2002  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

Expected Spud Date JANUARY 18 2007  
month day year

80' N & 80' W of CENTER  East  
N/2 - S/2 - SE 34 Twp. 18 S. R. 10  West  
1070 feet from  N /  S Line of Section  
1400 feet from  E /  W Line of Section  
 Is SECTION x Regular  Irregular?

OPERATOR: License # 3882 ✓  
 Name: SAMUEL GARY JR. & ASSOCIATES, INC.  
 Address: 1670 BROADWAY, SUITE 3300  
 City/State/Zip: DENVER, CO 80202  
 Contact Person: TOM FERTAL

(Note: Locate well on the Section Plat on Reverse Side)  
 County: RICE

Phone: (303) 831-4673

Lease Name: ZINK Well #: 2-34

CONTRACTOR: License 8273  
 Name: EXCELL SERVICES INC

Field Name: WILDCAT  
 Is this a Prorated / Spaced Field?  Yes  No

- |  |   |  |
|--|---|--|
| <b>Well Drilled For:</b>                     | <b>Well Class:</b>                            | <b>Type Equipment:</b>                           |
| <input checked="" type="checkbox"/> Oil ✓    | <input type="checkbox"/> Enh Rec              | <input checked="" type="checkbox"/> Mud Rotary ✓ |
| <input type="checkbox"/> Gas                 | <input type="checkbox"/> Storage              | <input type="checkbox"/> Air Rotary              |
| <input type="checkbox"/> OWWO                | <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                |  |

Target Formation(s): ARBUCKLE  
 Nearest Lease or unit boundary: 1070' ✓  
 Ground Surface Elevation: Est. 1730 feet MSL

If OWWO: old well information as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

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

Depth to bottom of fresh water: 150 ✓  
 Depth to bottom of usable water: 280 ✓  
 Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 320'  
 Length of Conductor pipe required: NONE ✓

Projected Total Depth: 3400'  
 Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations:  
 Well  Farm Pond Other X

DWR Permit #: N/A  
 (Note: Apply for Permit with DWR )  
 Will Cores Be Taken?  Yes  No

If yes, proposed zone: N/A

**AFFIDAVIT**

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 KANSAS CORPORATION COMMISSION

DEC 20 2006

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.  
 It is agreed that the following minimum requirements will be met:

CONSERVATION DIVISION  
 WICHITA, KS

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 a 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 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 19, 2006 Signature of Operator or Agent: Thomas J Fertal Title: SR. GEOLOGIST

**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.

374  
 18  
 10W

**For KCC use ONLY**  
 API # 15 - 159-22530-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 300 feet per Alt. 1 X  
 Approved by: RH 1-26-07  
 This authorization expires: 7-26-07  
 (This authorization void if drilling not started within 6 months of effective date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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: \_\_\_\_\_

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 - 159-22530-0000
Operator: SAMUEL GARY JR & ASSOCIATES, INC.
Lease: ZINK
Well Number: 2-34
Field:

Location of Well: County: RICE
1070 feet from N / X S Line of Section
1400 feet from X E / W Line of Section
Sec. 34 Twp. 18 S. R. 10 East X West

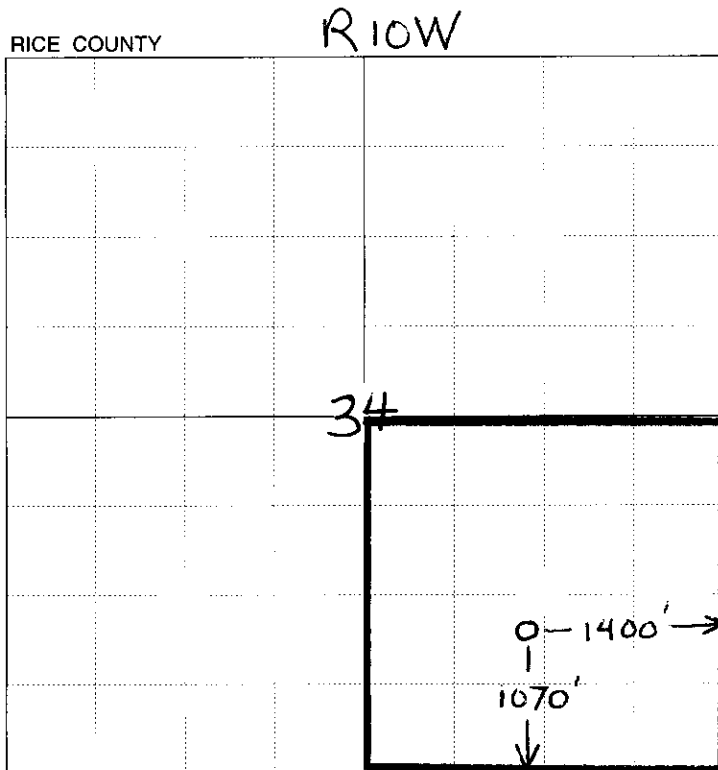
Is Section: X Regular or Irregular

Number of Acres attributable to well:
QTR / QTR / QTR of acreage:

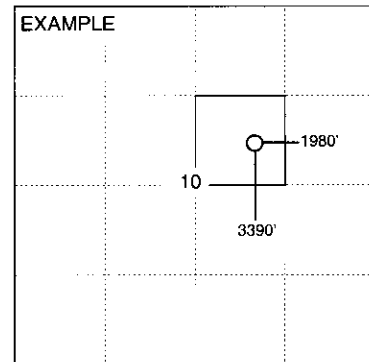
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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.)



1070' from the nearest lease boundary



SEWARD CO.

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DEC 20 2006

CONSERVATION DIVISION
WICHITA, KS

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).

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**

Form GDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>SAMUEL GARY JR. AND ASSOCIATES, INC.</b>		License Number: <b>3882</b>
Operator Address: <b>1670 BROADWAY, SUITE 3300 DENVER, CO 80202-4838</b>		
Contact Person: <b>TOM FERTAL</b>		Phone Number: ( <b>303</b> ) <b>831 - 4673</b>
Lease Name & Well No.: <b>ZINK 2-34</b>		Pit Location (QQQQ): <b>N/2 S/2 SE</b>
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: <b>4000</b> (bbbls)	Sec. <b>34</b> Twp. <b>18</b> R. <b>10</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1070</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1400</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>RICE</b> 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 checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>NATIVE MUD AND CLAY</b>
Pit dimensions (all but working pits): <b>75</b> Length (feet) <b>75</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>4</b> (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 <b>1732</b> feet    Depth of water well <b>95</b> feet		Depth to shallowest fresh water <b>75</b> feet. <b>6</b> Source of information: <b>JP-KGS</b> _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>FRESH MUD</b> Number of working pits to be utilized: <b>0 (Steel Tanks)</b> Abandonment procedure: <b>ALLOW TO DRY, THEN BACKFILL</b> 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 19, 2006 Date		<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>DEC 20 2006</b> CONSERVATION DIVISION WICHITA, KS
Signature of Applicant or Agent <i>Thomas J Fertal</i>		
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>12/20/06</b> Permit Number: _____ Permit Date: <b>1/26/07</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-159-22530-0000

# KANSAS

## CORPORATION COMMISSION

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

January 26, 2007

Mr. Tom Fertal  
Samuel Gary Jr. & Associates, Inc.  
1870 Broadway Ste 3300  
Denver, CO 80202

Re: Drilling Pit Application  
Zink Lease Well No. 2-34  
SE/4 Sec. 34-18S-10W  
Rice County, Kansas

Dear Mr. Fertal:

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 **all pits must be lined with bentonite**. The free 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 within 72 hours 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 (316) 630-4000 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](http://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