	KECEIVED  KANSAS CORPORATION COMMISSION
Effective Date: 3-11-07 OIL & GA	CORPORATION COMMISSION MAR 0 5 2007 S CONSERVATION DIVISION  MAR 0 5 2007  December 2002 Form must be Typed
District # No NOTICE  SGA? Yes X No Must be approved by	OF INTENT TO DRILL CONSERVATION DIVISION Form must be Signed WICHITA, KS All blanks must be Filled KCC five (5) days prior to commencing well
Expected Spud Date March 12 2007	Spot 150' S & 120' E of East
month day year	
OPERATOR: License# 30742 V	
Address, 4924 SE 84th St.	Is SECTION   ✓ Regular — Irregular?
City/State/Zip: Newton, Kansas 67114-8827	(Note: Locate well on the Section Plat on reverse side)
Contact Person: Klee R. Watchous	County: Ness
Phone: (316) 799-1000	Lease Name: Nyle Well #: 1
33350	Field Name: None (Wildcat)
CONTRACTOR: License# 33350 V Name: Southwind Drilling, Inc.	Is this a Prorated / Spaced Field?
Name: Southwind Drining, Inc.	Target Formation(s): Cherokee Sand
Well Drilled For: Well Class: Type Equipment	t: Nearest Lease or unit boundary: 330 + (unit)
✓ Oil ✓ Enh Rec Infield ✓ Mud Rotary	Ground Surface Elevation: 2353 feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:Yes
OWWO Disposal Wildcat Cable	Public water supply well within one mile: Yes ✓ No
Seismic: # of Holes Other	Depth to bottom of fresh water: 180  Depth to bottom of usable water: 900
Other	
	Surface Pipe by Alternate: 1 2 2 Length of Surface Pipe Planned to be set: 200+
If OWWO: old well information as follows:	Length of Conductor Pipe required: None
Operator:	Projected Total Depth: 4500
Well Name:	Mississinnian
Original Completion Date:Original Total Depth:	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore?	S ✓ No Well ✓ Farm Pond Other
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken? Yes ✓ No
il is bas Leases w/pooling clause attached.	If Yes, proposed zone:
// V	AFFIDAVIT
The undersigned hereby affirms that the drilling, completion and e	eventual plugging of this well will comply with K.S.A. 35 et. seq.
It is agreed that the following minimum requirements will be met:	
1. Notify the appropriate district office <b>prior</b> to spudding of we	
2. A copy of the approved notice of intent to drill <b>shall be</b> pos	the control thing rights, the control to the cop; 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;
<ol><li>If an ALTERNATE II COMPLETION, production pipe shall I</li></ol>	be cemented from below any usable water to surface within 120 days of spud date.
Or pursuant to Appendix "B" - Eastern Kansas surface cas must be completed within 30 days of the spud date or the	sing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing well shall be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
I hereby certify that the statements made herein are true and to	the best of my knowledge and belief.
Date: March 5, 2007 Signature of Operator or Agent:	Title: President
	Remember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15 - 135-24618-0000	- File Completion Form ACO-1 within 120 days of spud date;

Conductor pipe required\_\_\_\_\_

Spud date:\_

Minimum surface pipe required. Approved by: Pu43607

This authorization expires: 9-6-07

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

Agent:

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;

## 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 - 135-246 18-0000	Location of Well: County: Ness
Operator: Palomino Petroleum, Inc.	2460 feet from V N / S Line of Section
Lease: Nyle	feet from ✓ E / W Line of Section
Well Number: 1 Field: None (Wildcat)	Sec. 29 Twp. 17 S. R. 23 ☐ East ✓ Wes
Number of Acres attributable to well:  QTR / QTR / QTR of acreage:  SE _ SW _ NE	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.)

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		,	2460
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		29	1530
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KANSAS CORPORATION COMMISSION

**EXAMPLE** 

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

MAR 0 5 2007

## In plotting the proposed location of the well, you must show:

CONSERVATION DIVISION

- 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 CDP-1 April 2004 Form must be Typed

## **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name: Palomino Petroleum, Inc.		License Number: 30742			
Operator Address: 4924 SE 84th St., Newton, Kansas 67114-8827					
Contact Person: Klee R. Watchous		Phone Number: ( 316 ) 799 - 1000			
Lease Name & Well No.: Nyle #1		Pit Location (QQQQ):			
Type of Pit:	Pit is: 150' S & 120' E		of_SESWNE		
Emergency Pit Burn Pit			Sec. 29 Twp. 17S R. 23 East  West		
Settling Pit	If Existing, date co	onstructed:	2460 Feet from 🗸 North / South Line of Section		
Workover Pit Haul-Off Pit	Pit capacity:	<u></u>	1530 Feet from 🗸 East / West Line of Section		
(If WP Supply API No. or Year Drilled)	6800	(bbls)	Ness County		
Is the pit located in a Sensitive Ground Water		No	Chloride concentration:mg/l		
is the pit located in a defisitive cround water	, , , , , , , , , , , , , , , , , , ,	] 110	(For Emergency Pits and Settling Pits only)		
Is the bottom below ground level?	Artificial Liner?		How is the pit lined if a plastic liner is not used?		
✓ Yes No	Yes ✓	No 	Drlg. mud and shale from well bore.		
Pit dimensions (all but working pits):	30 Length (fe	eet) 80	Width (feet) N/A: Steel Pits		
Depth f	rom ground level to de	epest point:	(feet)		
Distance to nearest water well within one-mile of pit  Dept Sour		Depth to shallo Source of infor	Depth to shallowest fresh water		
3145 feet Depth of water well_	40feet	measuredwell owner electric log KDWR			
Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:			
Producing Formation:		Type of material utilized in drilling/workover:fresh			
Number of producing wells on lease:Num		Number of wor	Number of working pits to be utilized:2		
Barrels of fluid produced daily:		Abandonment	procedure: evaporate and backfill		
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		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. KANSAS CORPORATION COMMISS					
March 5, 2007 Date		Lee V	MAR 0 5 2007  Signature of Applicant or Agent  CONSERVATION DIVISION WICHITA, KS		
KCC OFFICE USE ONLY					
Date Received: 3/5/07 Permit Nun	nber:	Perm	ilt Date: 3/5/67 Lease Inspection: Yes 🖟 No		