

For KCC Use:
 Effective Date: 3-13-07
 District # 3
 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 March 23rd, 2007
 month day year

OPERATOR: License# 33927 ✓
 Name: Deerfield Energy Kansas Corp.
 Address: PO Box 149
Chetopa, KS, 67336
 City/State/Zip:
 Contact Person: Ryan Bulger
 Phone: 403-512-9991

CONTRACTOR: License# 33803 ✓
 Name: MITCHELL DRILLING

Well Drilled For:	Well Class:	Type Equipment:
<input 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 type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Other: <u>Water Supply Well</u>		<input checked="" type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

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

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

Spot
 SW NW NE Sec. 10 Twp. 35S S. R. 21 East West
4140 feet from N / S Line of Section
2380 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Labette
 Lease Name: Barr Well #: P1A_H20
 Field Name: Chetopa
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Roubidoux
 Nearest Lease or unit boundary: 1140 Ft
 Ground Surface Elevation: 828 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: 200 ft
 Depth to bottom of usable water: 300 ft
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 20 ft
 Length of Conductor Pipe required: 20 ft
 Projected Total Depth: 1480 ft
 Formation at Total Depth: Roubidoux
 Water Source for Drilling Operations:
 Well Farm Pond Other none - air rotary
 DWR Permit #: _____
 Will Cores be taken? Yes No
 If Yes, proposed zone: Bartlesville (95-130 ft)
 * (Note: Apply for Permit with DWR)

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** 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: March 7th, 2007 Signature of Operator or Agent: _____ Title: Exploitation Engineer

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 MAR 08 2007

CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 099-24185-0000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per Alt. 2
 Approved by: RH 3-8-07
 This authorization expires: 9-8-07
 (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: _____

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

10
 35
 21W

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 - 099-24185-0000
 Operator: Deerfield Energy Kansas Corp.
 Lease: Barr
 Well Number: P1A_H20
 Field: Chetopa
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SW - NW - NE

Location of Well: County: Labette
4140 feet from N / S Line of Section
2380 feet from E / W Line of Section
 Sec. 10 Twp. 35S S. R. 21 East West

Is Section: Regular or Irregular

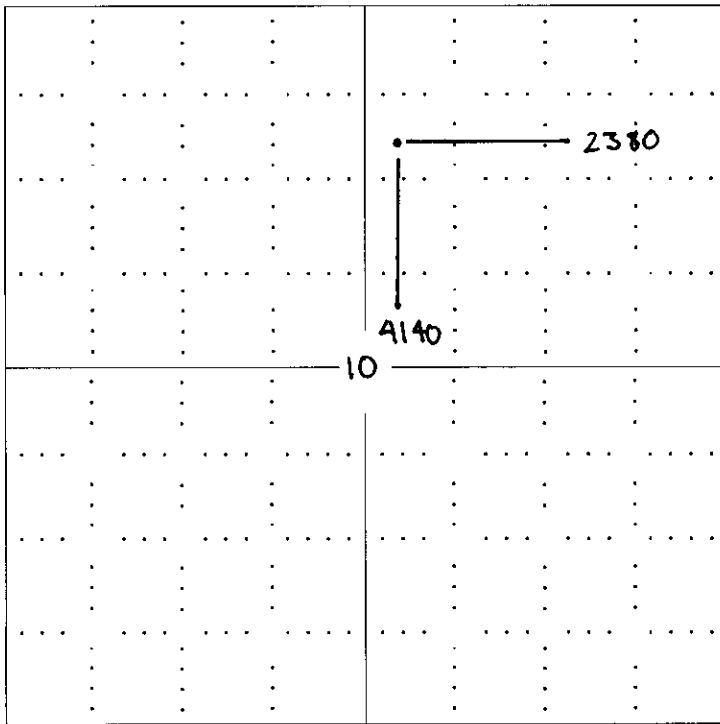
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

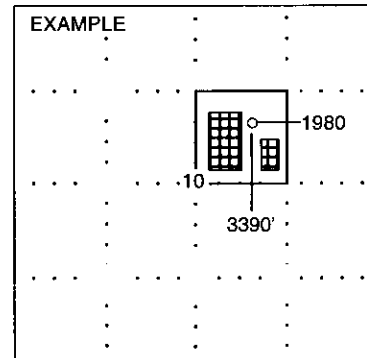
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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WICHITA, KS



SEWARD CO.

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

**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: Deerfield Energy Kansas Corp		License Number: 33927
Operator Address: PO Box 149, Chetopa, KS 67336		
Contact Person: Ryan Bulger		Phone Number: (403) 512 - 9991
Lease Name & Well No.: Barr P1A_H20		Pit Location (QQQQ): SW NW NE NE/4 Sec. 10 Twp. 35S R. 21 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 4140 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2380 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Labette County
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 <i>(If WP Supply API No. or Year Drilled)</i> None - Air Drilled	Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: NA mg/l <i>(For Emergency Pits and Settling Pits only)</i>
Is the bottom below ground level? <input type="checkbox"/> Yes <input checked="" 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? NA
Pit dimensions (all but working pits): NA Length (feet) NA Width (feet) X <i>N/A: Steel Pits Per oper.</i> Depth from ground level to deepest point: NA (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NA		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA
Distance to nearest water well within one-mile of pit → NA feet Depth of water well _____ feet		Depth to shallowest fresh water 200 ft feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: NA Number of producing wells on lease: None Barrels of fluid produced daily: NA 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: Air Number of working pits to be utilized: None Abandonment procedure: NA 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.		
March 5th, 2007 Date		 Signature of Applicant or Agent

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MAR 08 2007
CONSERVATION DIVISION
WICHITA, KS

15-D99-24185-0000

KCC OFFICE USE ONLY		<i>No Steel Pits</i>
Date Received: 3/8/07	Permit Number: _____	Permit Date: 3/8/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

March 8, 2007

Mr. Ryan Bulger
Deerfield Energy Kansas Corp.
PO Box 149
Chetopa, KS 67336

RE: Drilling Pit Application
Barr Lease Well No. P1A-H20
NE/4 Sec. 10-35S-21E
Labette County, Kansas

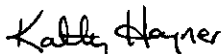
Dear Mr. Bulger:

This office has been informed that steel pits are to be used at the above referenced location. **If a haul-off pit is necessary please file form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 432-2300. 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.

Sincerely,



Kathy Haynes
Environmental Protection and Remediation Department

Cc: S Korf

KANSAS

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HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (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;
 - (C) 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:
 Yes 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 located, to the haul-off pit application.

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802

Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us