

For KCC Use:
 Effective Date: 3-14-07
 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 March 12, 2007
 month day year

Spot
 ApNE NWNE NE Sec. 34 Twp. 7 S. R. 20' East West
175 feet from N / S Line of Section
685 feet from E / W Line of Section
 Is SECTION Regular Irregular?

OPERATOR: License# 31569
 Name: Bach Oil Production
 Address: P.O. Box 723
Alma, NE 68920
 City/State/Zip:
 Contact Person: Jason Bach
 Phone: (785) 476-5254

(Note: Locate well on the Section Plat on reverse side)
 County: Rooks
 Lease Name: Lowrey Unit Well #: 1
 Field Name: wildcat
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Arbuckle

CONTRACTOR: License# 33237
 Name: Anderson Drilling

Well Drilled For:	Well Class:	Type Equipment:
<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	

* Nearest Lease or unit boundary: 175'
 Ground Surface Elevation: 1958 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: 160'
 Depth to bottom of usable water: 850'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: none
 Length of Conductor Pipe required: 50'
 Projected Total Depth: 3,600'
 Formation at Total Depth: Arbuckle
 Water Source for Drilling Operations:
 Well Farm Pond Other _____
 DWR Permit #: _____

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 #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

* Declaration of Unitization Attached

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: **** Set minimum 13 3/8" conductor through all unconsolidated material +20'. 40' minimum. See Attached Table I requirements for Rooks County.**

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: March 7, 2007 Signature of Operator or Agent: Donna Thanda Title: Agent

For KCC Use ONLY
 API # 15 - 163-23597-0000
 Conductor pipe required 40 min. feet
 Minimum surface pipe required 40 feet per Alt. 1 (2)
 Approved by: 2/4/3-9-07
 This authorization expires: 9-9-07
 (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: _____

Mall to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67203
 RECEIVED
 KANSAS CORPORATION COMMISSION

MAR 07 2007

CONSERVATION DIVISION
 WICHITA, KS

34
 7
 2007

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

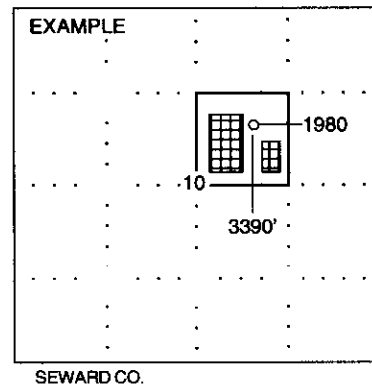
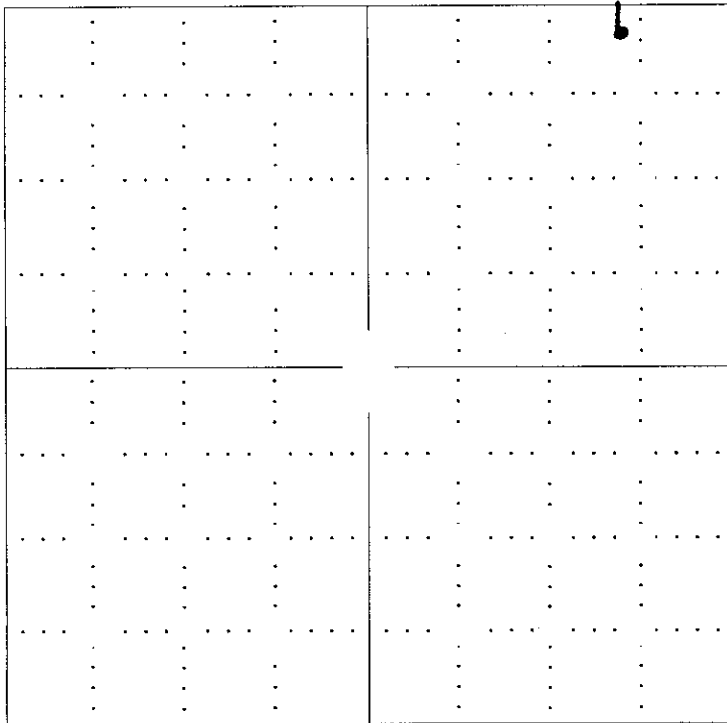
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 163-23597-0000
 Operator: Bach Oil Production
 Lease: Lowrey Unit
 Well Number: 1
 Field: wildcat
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: ApNE - NWNE - NE

Location of Well: County: Rooks
 175 _____ feet from N / S Line of Section
 685 _____ feet from E / W Line of Section
 Sec. 34 Twp. 7 S. R. 20' 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.

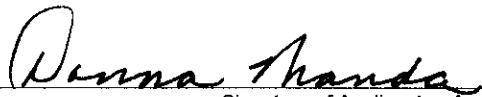
In plotting the proposed location of the well, you must show:

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).

**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: Bach Oil Production		License Number: 31569
Operator Address: P.O. Box 723, Alma, NE 68920		
Contact Person: Jason Bach		Phone Number: (785) 476 - 5254
Lease Name & Well No.: Lowrey Unit #1		Pit Location (QQQQ): NE NW NE NE
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: 3,600 (bbls)	Sec. 34 Twp. 7 R. 20 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 175 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 685 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Rooks County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" 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? clay type soil
Pit dimensions (all but working pits): 60 Length (feet) 60 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (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 N/A feet Depth of water well _____ feet		Depth to shallowest fresh water _____ 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: drilling mud Number of working pits to be utilized: 1 Abandonment procedure: let fluid evaporate and fill with excavated dirt 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 7, 2007 Date		 Signature of Applicant or Agent

15-163-23597-0220

KCC OFFICE USE ONLY			RFAC
Date Received: 3/7/07	Permit Number: _____	Permit Date: 3/9/07	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

RECEIVED
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MAR 07 2007
CONSERVATION DIVISION
WICHITA, KS

KANSAS

CORPORATION COMMISSION

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

March 9, 2007

Mr. Jason Bach
Bach Oil Production
PO Box 723
Alma, NE 68920

RE: Drilling Pit Application
Lowrey Unit Lease Well No. 1
NE/4 Sec. 34-07S-20W
Rooks County, Kansas

Dear Mr. Bach:

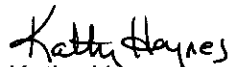
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling 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. 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 (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,


Kathy Haynes

Environmental Protection and Remediation Department

cc: File

T.10S, R.7E set to 920 feet m.s.l.
 T.10S, R.8E set to 890 feet m.s.l.
 T.10S, R.9E set to 880 feet m.s.l.

In all cases, set through all unconsolidated material plus 20 feet into the underlying formation.

ROOKS

In T.6S, T.9S and T.10S, cement surface pipe through the Dakota formation plus 20 feet into the underlying formation except where local areas of usable water occur in the Cheyenne sandstone, in which case, protection must be extended 20 feet into the Permian.

The following options are open: (a) cement surface pipe through the Dakota plus 20 feet into the underlying formation or (b) cement surface pipe through all fresh water and/or unconsolidated material plus 20 feet below the base of the Dakota to the surface. If (b) is used and the hole is dry, refer to K.A.R. 82-3-114. In all cases, a minimum of 50 feet of surface pipe is required.

In T.7S and T.8S, protection shall be as outlined above except in the following areas:

Township 7 South, R.17W, below surface elevation 1860 feet
 Townships 7 and 8 South, R.18W, below surface elevation 1880 feet
 Townships 7 and 8 South, R.19W, below surface elevation 1920 feet
 Townships 7 and 8 South, R.20W, below surface elevation 1960 feet

Within these areas, large surface pipe or 8 5/8 inch surface pipe systems may be used. If the large surface pipe is used, surface pipe of at least 13 3/8 inches in diameter shall be cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation with a minimum of 40 feet being used. Then the following options are open: (a) set intermediate pipe to the Stone Corral (Anhydrite) and cement from the Stone Corral to surface or (b) cement the production string from the Anhydrite to surface immediately after it has been set. If (b) is used and the hole is dry, plug per K.A.R. 82-3-114.

If 8 5/8 inch surface pipe is used, it will be set and cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation. A blowout preventor will be installed and maintained on the surface pipe until pipe is set or the hole plugged. If serious flow problems occur, the hole will be plugged per K.A.R. 82-3-114.

If the hole is completed and production pipe installed, cement the production string from the Stone Corral Anhydrite to surface immediately after it has been set. If the hole is dry, plug the hole per K.A.R. 82-3-114.

If Alternate II is used in the above described special area, follow the procedure outlined in K.A.R. 82-3-106. The option for 120 days to complete cementing is not available and the operator shall cement production casing from Stone Corral (Anhydrite) to surface immediately.

RUSH

Protect through the Dakota formation plus 20 feet into the underlying formation except where known local areas of usable water occur in the Cheyenne sandstone, in which case, protection must be extended 20 feet into the Permian. The following options are open: (a) set through the Dakota plus 20 feet into the underlying formation or 20 feet into the Permian if specifically designated or (b) set through all unconsolidated material plus 20 feet into the underlying formation and cement the production string from a point 20 feet below the base of the Dakota or 20 feet below the base of the Cheyenne, if specifically designated, to the surface. If (b) is used and the hole is dry, refer to K.A.R. 82-3-114. In all cases, set through all unconsolidated material plus 20 feet into the underlying formation.