

For KCC Use: 3-2007  
 Effective Date: 3-2007  
 District #: 1  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

SPOT 3-10-07  
**CORRECTED** Form C-1  
 December 2002  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

**NOTICE OF INTENT TO DRILL**

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date March 26 2007  
month day year

OPERATOR: License# 31739  
 Name: Iuka/Carmi Development LLC  
 Address: P O Box 907  
Pratt, Kansas 67124  
 City/State/Zip: Pratt, Kansas 67124  
 Contact Person: Kenneth C Gates  
 Phone: (620) 672-9571 Ext 5

CONTRACTOR: License# 33843  
 Name: Terra Drilling LLC

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<input checked="" type="checkbox"/> Oil <input checked="" type="checkbox"/> Enh Rec <input type="checkbox"/> Infield	<input type="checkbox"/> Storage <input type="checkbox"/> Pool Ext.	<input checked="" type="checkbox"/> Mud Rotary <input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> Gas <input type="checkbox"/> CWD <input type="checkbox"/> Seismic: # of Holes <input type="checkbox"/> Other	<input type="checkbox"/> Disposal <input type="checkbox"/> Wildcat <input type="checkbox"/> Other	<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 \*SE NW NE Sec. 15 Twp. 27s S. R. 12  East  West  
890' feet from  N /  S Line of Section  
1655' feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Pratt  
 Lease Name: John Hamm Well #: 1-15  
 Field Name: \_\_\_\_\_

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Arbuckle

Nearest Lease or unit boundary: \_\_\_\_\_  
 Ground Surface Elevation: 1844' 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: 200-180'

Depth to bottom of usable water: 220'

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor Pipe required: -0-

Projected Total Depth: 4800'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:  Well  Farm Pond  Other

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

\*WAS: W/2-NW-NE  
 IS: SE-NW-NE

**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 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 12, 2007 Signature of Operator or Agent: Kenneth C Gates Title: President

**For KCC Use ONLY**  
 API # 151-22259-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 240 feet per Alt. 1  
 Approved by: 3-15-07 / KCC 3-10-07  
 This authorization expires: 9-15-07  
 (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 prorations 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  
 Signature of Operator or Agent: \_\_\_\_\_  
 Date: \_\_\_\_\_

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

CONSERVATION DIVISION  
 WICHITA, KS

15  
 27  
 12W

RECEIVED  
 KANSAS CORPORATION COMMISSION

MAR 13 2007

**CORRECTED**

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

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

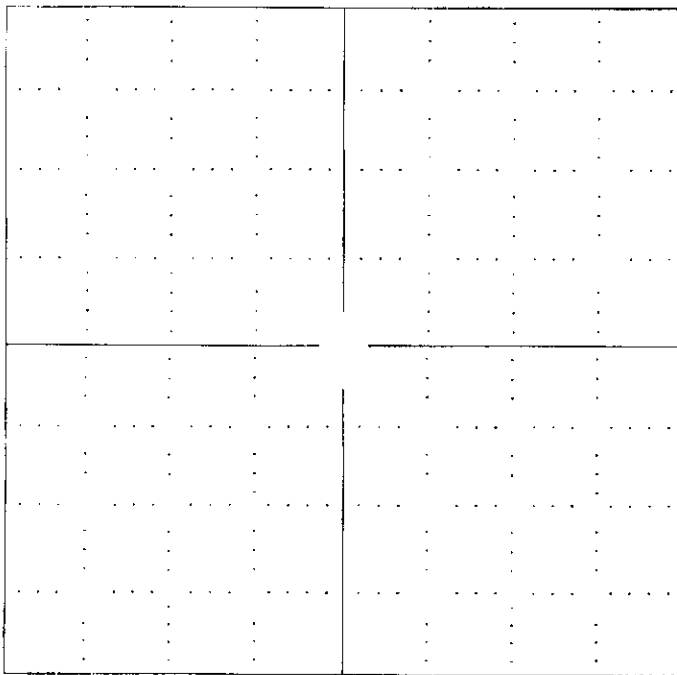
*If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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 - 151-22259-0000  
 Operator: Iuka/Carmi Development LLC  
 Lease: John Hamm  
 Well Number: 1-15  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: W1/2 - NW - NE  
SE

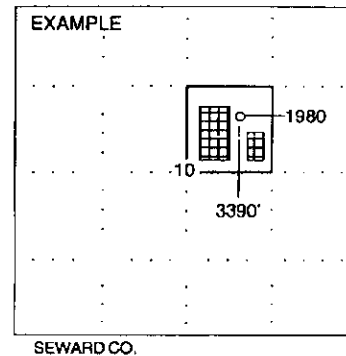
Location of Well: County: Pratt  
 890' \_\_\_\_\_ feet from  N /  S Line of Section  
 1655' \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 15 Twp. 27s S. R. 12  East  West  
 Is Section:  Regular or  Irregular  
 If Section is Irregular, locate well from nearest corner boundary.  
 Section corner 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.)*



*See Attached  
plat map.*



**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 (CG-8 for gas wells).

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**

**MAR 13 2007**

**CONSERVATION DIVISION  
WICHITA, KS**

# ADVANTAGE ELEVATIONS

OIL FIELD SURVEYORS

BOX 8604 - PRATT, KS 67124  
(620) 672-6491

15-151-22259-0000

216071  
INVOICE NO.

IUKA/CARMI DEVELOPMENT, LLC  
OPERATOR

Hamm  
NO FARM

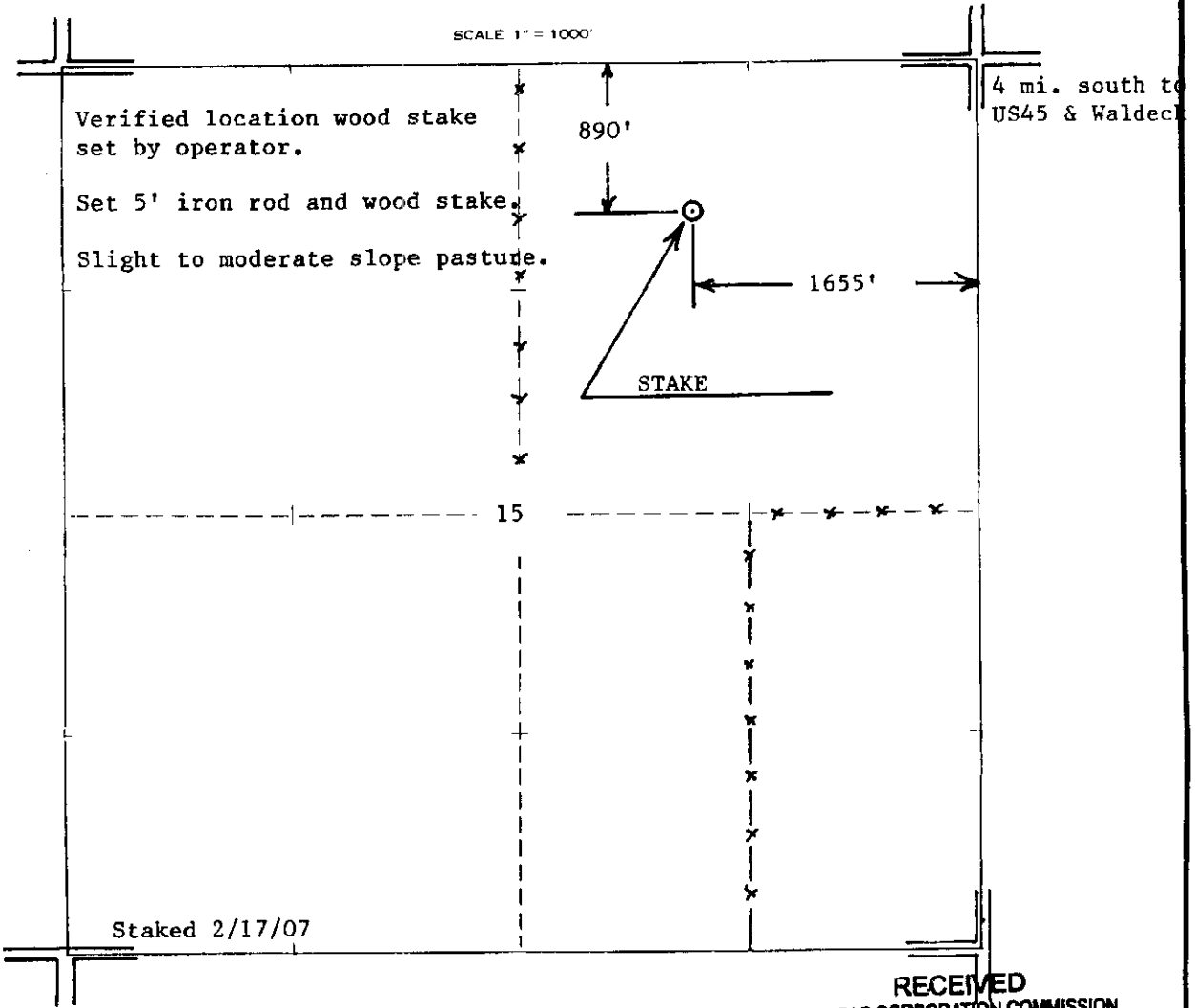
Pratt      15 27s 12w  
COUNTY      S      T      R

890' FNL & 1655' FEL of Sec.  
LOCATION

1844 GR  
ELEVATION

↑  
N  
IUKA/CARMI DEVELOPMENT, LLC  
Box 907  
Pratt, KS 67124

AUTHORIZED BY Kenny Gates



RECEIVED  
KANSAS CORPORATION COMMISSION  
MAR 13 2007

CONSERVATION DIVISION  
WICHITA, KS

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

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

**\*CORRECTED**

Operator Name: <u>Iuka/Carmi Development LLC</u>		License Number: <u>31739</u>
Operator Address: <u>PO Box 907 Pratt, Kansas 67124</u>		
Contact Person: <u>Kenneth C Gates</u>		Phone Number: ( <u>620</u> ) <u>672</u> - <u>9571</u>
Lease Name & Well No.: <u>John Hamm 1-15</u>		Pit Location (QQQQ): <u>SE</u> <u>1/2</u> <u>NW</u> <u>NE</u>
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: _____ (bbls)	Sec. <u>15</u> Twp. <u>27S</u> R. <u>12</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>890'</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>1655'</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Pratt</u> _____ County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: <u>90,000-100,000</u> 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 type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <u>Haul free water off pit immediately.</u>
Pit dimensions (all but working pits): <u>Est. 75'</u> Length (feet) <u>Est. 75'</u> Width (feet)    _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4'</u> (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 <u>1823</u> feet    Depth of water well <u>120</u> feet		Depth to shallowest fresh water <u>60</u> feet. Source of information: _____ measured    _____ well owner <u>(b)</u> _____ 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: <u>Drilling Mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Haul off contents, natural evaporation.</u> _____ 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.  <u>March 12, 2007</u> _____ Date    Signature of Applicant or Agent		

15-151-22259-0022

<b>KCC OFFICE USE ONLY</b>		<u>Line clay or bent</u> <u>RFAS-L</u>
Date Received: <u>3/13/07</u>	Permit Number: _____	Permit Date: <u>3/15/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**RECEIVED**

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

**MAR 13 2007**

CONSERVATION DIVISION  
WICHITA, KS