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# 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	June	1 2007	Spot	East
	month	day year	SW SW NE Sec. 14 Twp. 32	2 S. R. 21 West
307	742/		2600 feet from ✓ N	
OPERATOR: License# 307	, TC		2630 feet from	
Name: Palomino Petroleum, Inc.			Is SECTION ✓ Regular Irregular?	/ W Line of Occitor
Address: 4924 SE 84th St. City/State/Zip: Newton, Kan	neae 6711 <i>1</i> -8827		is SECTIONnegularinegular:	
City/State/Zip:	1585 07 1 14-0027	-	(Note: Locate well on the Section Plat	on reverse side)
Contact Person: Klee R. Wa	atchous		County: Clark	4 -
Phone: (316) 799-1000			Lease Name: Loesch-Stephens	Well #: 1
	5822		Field Name: None (Wildcat)	
CONTRACTOR: License#_	0022		Is this a Prorated / Spaced Field?	Yes 🗸 No
Name: VAL Lifergy, inc.			Target Formation(s): Viola, Arbuckle	
Well Drilled For:	Well Class:	Type Equipment:	Nearest Lease or unit boundary: 330+ (unit)	
			Ground Surface Elevation: 1972	feet MSL
✓ Oil Enh Re	<u> </u>	✓ Mud Rotary	Water well within one-quarter mile:	Yes ✓ No
<b>√</b> Gas Storage		Air Rotary	Public water supply well within one mile:	Yes No
OWWO Disposa	H	Cable	Depth to bottom of fresh water: 120	
Seismic;# of H	Holes Other		Depth to bottom of usable water: 180	
Other			Surface Pipe by Alternate: 🗸 1 🗍 2	
IA OLADAGO I-I PI : A	£-11		Length of Surface Pipe Planned to be set: 700	
If OWWO: old well informat			Length of Conductor Pipe required: None	
Operator:			Projected Total Depth: 6500	
Well Name:		· · ·	Formation at Total Depth: Arbuckle	
Original Completion Dat	te:Or	riginal Total Depth:	Water Source for Drilling Operations:	
Directional, Deviated or Hor	rizontal wellbore?	Yes 🗸 No		
If Yes, true vertical depth:				
Bottom Hole Location:			DWR Permit #:	
KCC DKT #:			(Note: Apply for Permit with D	
		-	Will Cores be taken?	Yes ✓ No
Mil	- AA	المسمارين	16.56	
DILEGAS LEAS	SES ATTA	CHED	If Yes, proposed zone:	RECEIVED
OIL & GAS LEAS	SES ATTA		·	RECEIVED SAS CORPORATION COMMISSION
•		AFF	FIDAVIT	SAS CORPORATION COMMISSIC
The undersigned hereby at	ffirms that the drillin	AFF ng, completion and eventual p	·	SAS CORPORATION COMMISSIC
The undersigned hereby af	ffirms that the drilling	AFF ng, completion and eventual pements will be met:	FIDAVIT	SAS CORPORATION COMMISSIC PG. MAY 2 3 2007
The undersigned hereby af It is agreed that the following 1. Notify the appropriat	ffirms that the drilling ng minimum requir e district office <i>pri</i>	AFF  ng, completion and eventual pements will be met:  or to spudding of well;	FIDAVIT KANS  Slugging of this well will comply with K.S.A. 55 et. se	SAS CORPORATION COMMISSIC
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#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

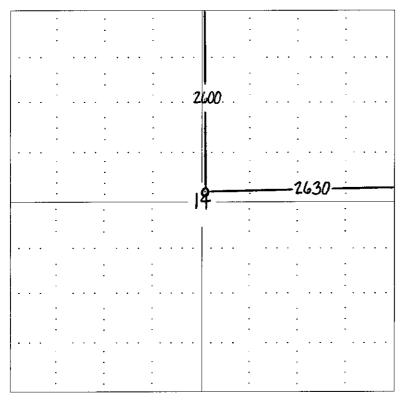
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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.

APINO. 15-025-21416-00-00	Location of Well: County: Clark		
Operator: Palomino Petroleum, Inc.			
Lease: Loesch-Stephens	2630 feet from 🗸 E / W Line of Section		
Well Number: 1	Sec. 14 Twp. 32 S. R. 21 ☐ East ✓ Wes		
Field: None (Wildcat)			
Number of Acres attributable to well:  QTR / QTR / QTR of acreage: SW SW SW N =	ls Section: ✓ Regular or ☐ Irregular		
QTR / QTR / QTR of acreage: 5 00 5 00 5 00 10	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.)



EXAMPLE

1980

3390'

SEWARD CO. RECEIVED

KANSAS CORPORATION COMMISSION

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

MAY 2 3 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).

Form CDP-1 April 2004 Form must be Typed

# **APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name: Palomino Petrole	eum, Inc.	License Number: 30742				
Operator Address: 4924 SE 84th St., Newton, Kansas 67114-8827						
Contact Person: Klee R. Watchous	3	Phone Number: ( 316 ) 799 - 1000				
Lease Name & Well No.: Loesch-Ste	ephens #1	Pit Location (QQQQ):				
Type of Pit:	Pit is:		SW. SW SW NE			
Emergency Pit Burn Pit	Proposed Existing Sec. 14 Twp. 32S R. 21 E		Sec. 14 <sub>Twp.</sub> 32S <sub>R.</sub> 21 ☐ East ✓ West			
Settling Pit	If Existing, date constructed:		2600 Feet from 🗸 North / 🗌 South Line of Section			
Workover Pit Haul-Off Pit Pit capa		<del></del>	2630 Feet from ✓ East / West Line of Section			
(If WP Supply API No. or Year Drilled)	6800 (bbls)		Clark County			
Is the pit located in a Sensitive Ground Water	Area? ☐ Yes 🗸	Chloride concentration:mg/l				
In the hattern halour record level?	A-415-1-1110		(For Emergency Pits and Settling Pits only)			
Is the bottom below ground level?  ✓ Yes No Artificial Liner?  ✓ Yes ✓ No		No	How is the pit lined if a plastic liner is not used?  Drlg. mud and shale from well bore.			
Pià dia (-11 b. 4 bi bi 8						
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet)						
If the pit is lined give a brief description of the material, thickness and installation procedure	liner	Describe proce	dures for periodic maintenance and determining and special monitoring.			
			5.			
Distance to nearest water well within one-mile	of pit	Depth to shallo Source of infor	west fresh waterfeet.			
N/Afeet	feet	measuredwell owner electric logKDWR				
Emergency, Settling and Burn Pits ONLY:		Drilling, Work	over and Haul-Off Pits ONLY:			
Producing Formation:		utilized in drilling/workover: fresh				
Number of producing wells on lease: Number of work			king pits to be utilized: 2			
Barrels of fluid produced daily: Abandonment			procedure: evaporate and backfill			
Does the slope from the tank battery allow all flow into the pit? Yes No	spilled fluids to	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 RECEIVED						
May 23, 2007  Date  May 23, 2007  Signature of Applicant or Agent  Signature of Applicant or Agent						
		CONSERVATION DIVISION WICHTE, KS				
KCC OFFICE USE ONLY  RFASYC						
Date Received: 5/23/07 Permit Numl	per:	Permi	Date: 5/24/07 Lease Inspection: X Yes No			



Kathleen Sebelius, Governor Brian J. Moline, Chair Robert E. Krehbiel, Commissioner Michael C. Moffet, Commissioner

May 24, 2007

Klee R Watchous Palomino Petroleum, Inc. 4924 SE 84<sup>th</sup> St Newton KS 67114-8827

Re:

**Drilling Pit Application** 

Loesch-Stephens Lease Well No. 1

C 14-32S-21W

Clark County, Kansas

Dear Mr. Watchous:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with native clay or bentonite, constructed <u>without slots</u>, 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 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 as soon as practical 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 (620) 225-8888 when the fluids have been removed. 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: http://kcc.ks.gov/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,

Jonelle Rains, Supervisor

Department of Environmental Protection and Remediation

CC:

Steve Durrant

Soselle Rains

File