



For KCC Use:
 Effective Date: 7-17-07
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1010141
 OIL & GAS CONSERVATION DIVISION

Form C-1
 November 2005
 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: 07/20/2007
 month day year

OPERATOR: License# 33235
 Name: Chieftain Oil Co., Inc.
 Address 1: PO Box 124
 Address 2: _____
 City: Kiowa State: KS Zip: 67070 + _____
 Contact Person: Ron Molz
 Phone: 620-825-4030
 CONTRACTOR: License# 33789
 Name: D & B Drilling, LLC

Spot Description:
 _____ SE _____ NW _____ SW Sec. 3 Twp. 34 S. R. 11 E W
 (or/over) 1,900 feet from N / S Line of Section
4,370 feet from E / W Line of Section
 Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Barber
 Lease Name: Diel Well #: 4
 Field Name: ROUNDUP SOUTH
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippi / Simpson
 Nearest Lease or unit boundary line (in footage): 740
 Ground Surface Elevation: 1338 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: 80
 Depth to bottom of usable water: 180
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 300
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: 5200
 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: _____

Well Drilled For: Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Seismic: _____ # of Holes Disposal Wildcat Cable
 Other: _____
 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 #: _____

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: 7/9/07 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
 API # 15 - 007-23176-0000
 Conductor pipe required 0 feet
 Minimum surface pipe required 200 feet per ALT. I II
 Approved by: [Signature] 7-12-07
 This authorization expires: 1-12-08
 (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 (within 60 days);
- 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 Date: _____
 Signature of Operator or Agent: _____

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CONSERVATION DIVISION
 WICHITA, KS



1010141

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 - 007-23176-0000
Operator: Chieftain Oil Co., Inc.
Lease: Diel
Well Number: 4
Field: ROUNDUP SOUTH

Location of Well: County: Barber
1,900 feet from N / S Line of Section
4,370 feet from E / W Line of Section
Sec. 3 Twp. 34 S. R. 11 E W

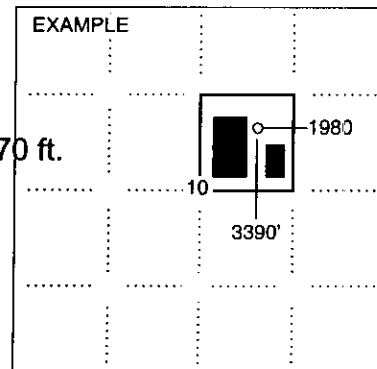
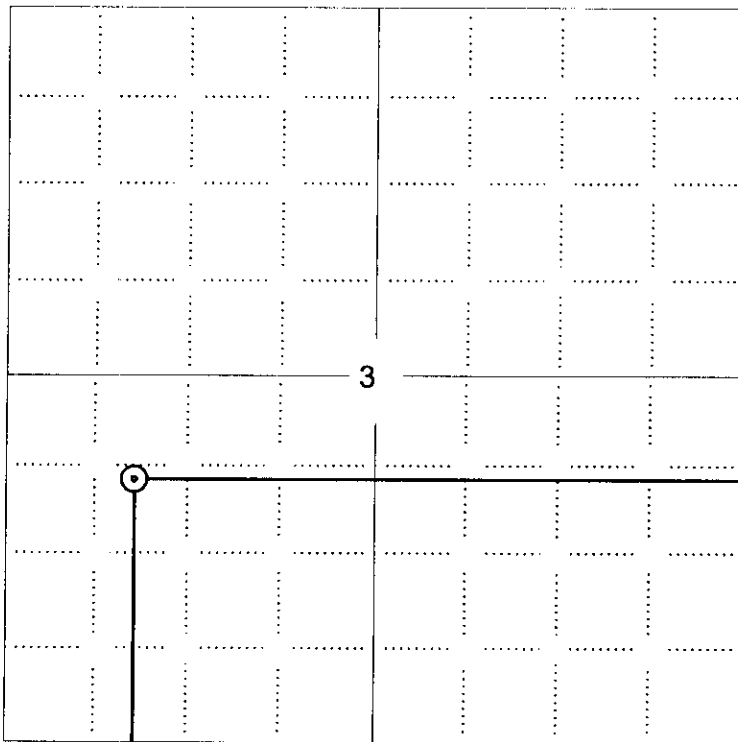
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - SE - NW - SW

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 locator.

1900 ft.

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

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KANSAS CORPORATION COMMISSION 1010141
 OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
 April 2004
 Form must be Typed

Submit in Duplicate

Operator Name: Chieftain Oil Co., Inc.		License Number: 33235	
Operator Address: PO Box 124		Kiowa KS 67070	
Contact Person: Ron Molz		Phone Number: 620-825-4030	
Lease Name & Well No.: Diel 4		Pit Location (QQQQ): <u>SE</u> <u>NW</u> <u>SW</u> Sec. <u>3</u> Twp. <u>34</u> R. <u>11</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,900</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>4,370</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barber 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 <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: 10,000 (bbls)	
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? Drilling Mud.			
Pit dimensions (all but working pits): <u>150</u> Length (feet) <u>150</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet) <input type="checkbox"/> No Pit			
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>3000</u> feet Depth of water well <u>60</u> feet		Depth to shallowest fresh water <u>40</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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: <u>Chemical Mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Haul off fresh water, evaporate then backfill.</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.		RECEIVED KANSAS CORPORATION COMMISSION JUL 11 2007 CONSERVATION DIVISION WICHITA, KS	
<u>7/10/07</u> Date		<u>R. Molz</u> Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: <u>7/11/07</u>		Permit Number: _____ Permit Date: <u>7/11/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			

15-007-23176-0000



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Robert E. Krehbiel, Commissioner
Michael C. Moffet, Commissioner*

June 28, 2007

Ron Molz
Chieftain Oil Co., Inc.
PO Box 124
Kiowa, KS67070

Re: Drilling Pit Application
Diel Lease Well No. 4
SW/4 Sec.03-34S-11W
Barber County, Kansas

Dear Ron Molz:

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

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms/.

CONSERVATION DIVISION
Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

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