

For KCC Use: 72907
Effective Date: 4
District #: 4
SGA? ☒ Yes ☐ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

JUL 23 2007

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.
CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date July 27, 2007
month day year

OPERATOR: License# 6569
Name: Carmen Schmitt Inc.
Address: PO Box 47
City/State/Zip: Great Bend, KS 67530
Contact Person: Jacob Porter
Phone: 620-793-5100

CONTRACTOR: License# 5184
Name: Shields Drilling Company Oil Producers, Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil <input checked="" type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas <input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO <input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> 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 #: _____

Spot
E/2 - SE - SW Sec. 27 Twp. 4 S. R. 18
660' fsl _____ feet from ☐ N / ☒ S Line of Section
2310' fwl _____ feet from ☐ E / ☒ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Phillips

Lease Name: Bates Well #: 1

Field Name: _____

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 660' South

Ground Surface Elevation: est 1786' 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: 110

Depth to bottom of usable water: 700

Surface Pipe by Alternate: ☐ 1 ☒ 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: -0-

Projected Total Depth: 4500'

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: _____

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: July 21, 2007 Signature of Operator or Agent: Jacob L Porter Title: Operations Manager

For KCC Use ONLY

API # 15 - 147-20611-0000

Conductor pipe required None feet

Minimum surface pipe required 200 feet per Alt. 2

Approved by: RC# 7-24-07

This authorization expires: 1-24-08

(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;
- 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

27
4
18W

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 - 147-20611-0000
 Operator: Carmen Schmitt Inc.
 Lease: Bates
 Well Number: 1
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: E/2 - SE - SW

Location of Well: County: Phillips
 660' fsl _____ feet from ☐ N / ☒ S Line of Section
 2310' fwl _____ feet from ☐ E / ☒ W Line of Section
 Sec. 27 Twp. 4 S. R. 18 ☐ East ☒ West

Is Section: ☒ Regular or ☐ Irregular

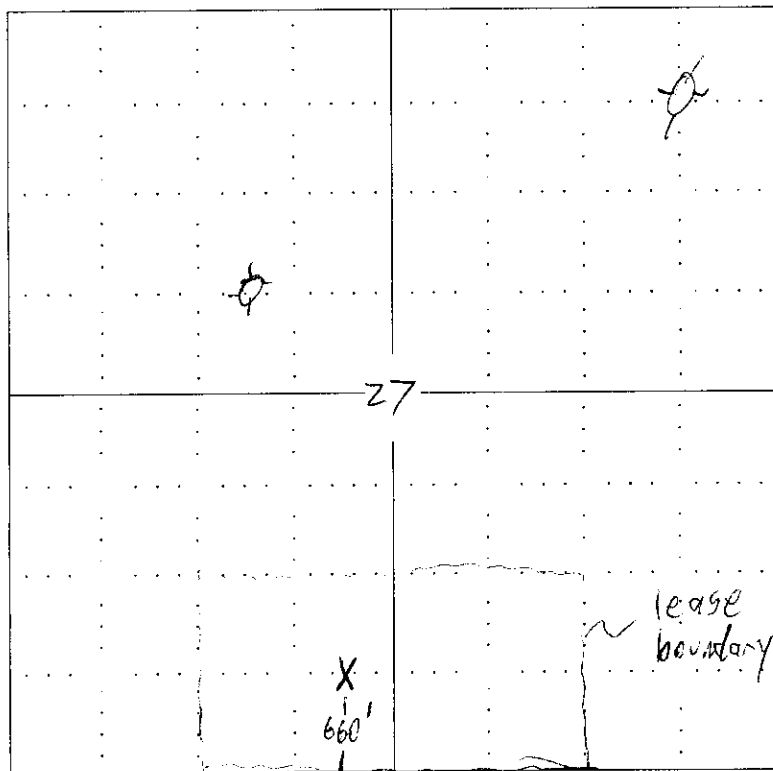
If Section Is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

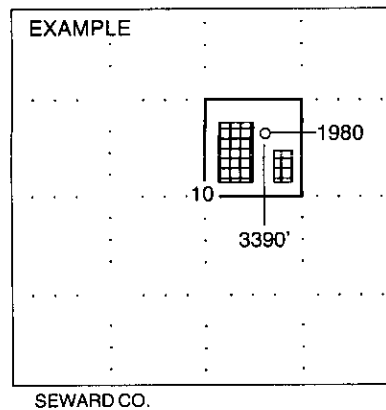
PLAT

(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.



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KANSAS CORPORATION COMMISSION

JUL 24 2007

CONSERVATION DIVISION
WICHITA, KS

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: Carmen Schmitt Inc.		License Number: 6569	
Operator Address: PO Box 47, Great Bend, KS 67530			
Contact Person: Jacob Porter		Phone Number: (620) 793 - 5100	
Lease Name & Well No.: Bates #1		Pit Location (QQQQ): E/2 SE SW Sec. 27 Twp. 4 R. 18 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Phillips 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 (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 1500 (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? Natural clays and bentonite	
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (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. Visual inspection	
Distance to nearest water well within one-mile of pit ~1000 ^{749} feet Depth of water well 60 ^{37.5} feet		Depth to shallowest fresh water 38 ^{10} feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ electric log <input checked="" 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: Bentonite Number of working pits to be utilized: 4 Abandonment procedure: Evaporate and backfill 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. July 21, 2007 Date Jacob L. Porter Signature of Applicant or Agent			
RECEIVED KANSAS CORPORATION COMMISSION JUL 24 2007 RTAC CONSERVATION DIVISION WICHITA, KS			
KCC OFFICE USE ONLY Date Received: 7/24/07 Permit Number: _____ Permit Date: 7/24/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

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

* Public Water supply well SWSWSW 26-4S-18W.



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

July 24, 2007

Jacob Porter
Carmen Schmitt Inc.
PO Box 47
Great Bend KS 67530

Re: Drilling Pit Application
Bates Lease Well No. 1
SW/4 27-04S-18W
Phillips County, Kansas

Dear Mr. Porter:

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.

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: <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: Herb Deines
File