

For KCC Use: 8-12-07  
 Effective Date: \_\_\_\_\_  
 District #: 2  
 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 05/15/07  
 month day year

Spot \_\_\_\_\_ East  
 100's NE - NE - NE Sec. 19 Twp. 31 S. R. 6  West  
430' feet from  N /  S Line of Section  
330' feet from  E /  W Line of Section  
 Is SECTION \_\_\_\_\_ Regular \_\_\_\_\_ Irregular?

OPERATOR: License# 31714  
 Name: Novy Oil & Gas, Inc.  
 Address: 125 N. Market, Suite 1230  
 City/State/Zip: Wichita, KS 67202  
 Contact Person: Michael Novy  
 Phone: 316-265-4651

(Note: Locate well on the Section Plat on reverse side)  
 County: HARPER  
 Lease Name: BISHOP Well #: 7  
 Field Name: GISH

CONTRACTOR: License# 33724  
 Name: Warren Drilling LLC

Is this a Prorated / Spaced Field?  Yes  No  
 Target Information(s): SIMPSON  
 Nearest Lease or unit boundary: 330'

Well Drilled For:  Oil  Gas  OWWO  Seismic; # of Holes \_\_\_\_\_  Other \_\_\_\_\_  
 Well Class:  Infield  Pool Ext.  Wildcat  Other \_\_\_\_\_  
 Type Equipment:  Mud Rotary  Air Rotary  Cable

Ground Surface Elevation: EST 1532 feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

If OWWO: old well information as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Depth to bottom of fresh water: 100  
 Depth to bottom of usable water: 180  
 Surface Pipe by Alternate:  1  2

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Length of Surface Pipe Planned to be set: 250' OF 8 5/8  
 Length of Conductor Pipe required: none  
 Projected Total Depth: 4780  
 Formation at Total Depth: SIMPSON

Water Source for Drilling Operations:  
 Well  Farm Pond  Other  Truck  
 DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR   
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_ KANSAS CORPORATION COMMISSION

**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:

**JUL 30 2007**  
 CONSERVATION DIVISION  
 WICHITA, KS

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: 07/25/07 Signature of Operator or Agent: [Signature] Title: Vice President

**For KCC Use ONLY**  
 API # 15 - 077-21588-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per Alt 1  
 Approved by: Rut 8-707  
 This authorization expires: 2-708  
 (This authorization void if drilling not started within 6 months of effective 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

19  
31  
6W

### 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 - NEW 077-21588-0000  
 Operator: Novy Oil & Gas, Inc.  
 Lease: BISHOP  
 Well Number: 7  
 Field: GISH  
 Number of Acres attributable to well: 10  
 QTR / QTR / QTR of acreage: 100's NE - NE - NE

Location of Well: County: HARPER  
 430' \_\_\_\_\_ feet from  N /  S Line of Section  
 330' \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 19 Twp. 31 S. R. 6  East  West

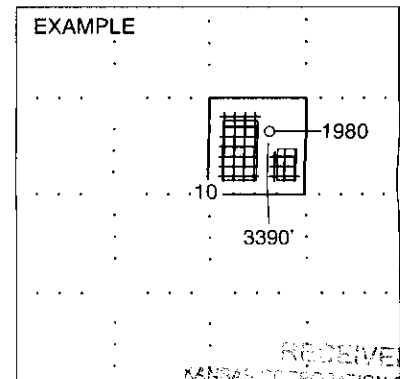
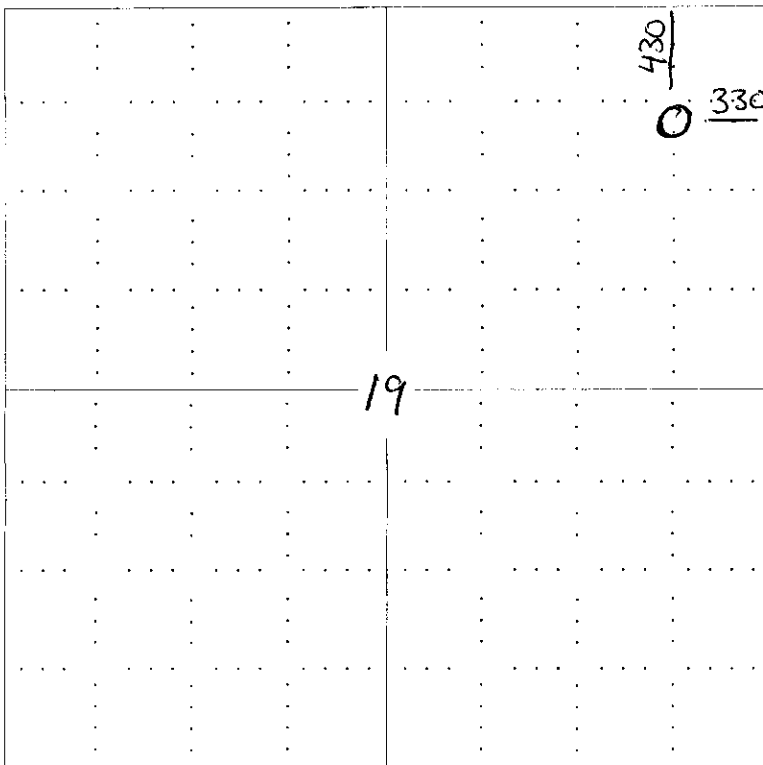
Is Section:  Regular or  Irregular

**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.)*



SEWARD CO. RECEIVED KANSAS DELEGATION COMMISSION

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CONSERVATION DIVISION WICHITA, KS

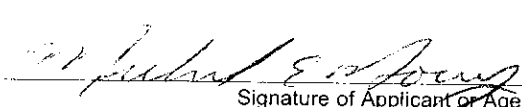
**In plotting the proposed location of the well, you must show:**

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: <b>Novy Oil &amp; Gas, Inc.</b>		License Number: <b>31714</b>
Operator Address: <b>125 N. Market, Suite 1230 Wichita, KS 67202</b>		
Contact Person: <b>Michael E. Novy</b>		Phone Number: ( <b>316</b> ) <b>265 - 4651</b>
Lease Name & Well No.: <b>BISHOP # 7</b>		Pit Location (QQQQ): <b>NE NE NE</b>
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: <b>500</b> (bbls)	Sec. <b>19</b> Twp. <b>31S</b> R. <b>6</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>430'</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>330'</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>HARPER</b> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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?
Pit dimensions (all but working pits): <b>100</b> Length (feet) <b>100</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>4</b> (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 <b>2561</b> feet    Depth of water well <b>40</b> feet		Depth to shallowest fresh water <b>52</b> feet. Source of information: _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> 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: <b>fresh water, mud gel</b> Number of working pits to be utilized: <b>2</b> Abandonment procedure: <b>dewater- fill when dry</b>  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.		
<b>07/25/07</b> Date	 Signature of Applicant or Agent	KANSAS CORPORATION COMMISSION <b>JUL 30 2007</b>

15-077-215-PP-0000

<b>KCC OFFICE USE ONLY</b>		CONSERVATION DIVISION <b>STEEL PITS</b> Liner + RFAS + 724RS
Date Received: <b>7/30/07</b>	Permit Number: _____	Permit Date: <b>8/7/07</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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



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

August 7, 2007

Mr. Michael Novy  
Novy Oil & Gas, Inc.  
125 N. Market Ste 1230  
Wichita, KS 67202

Re: Drilling Pit Application  
Bishop Lease Well No. 7  
NE/4 Sec. 19-31S-06W  
Harper County, Kansas

Dear Mr. Novy:

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. If a plastic liner is to be used it must have a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times.

The free 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 within 72 hours 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 (316) 630-4000 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](http://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: district office

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/>