

For KCC Use: 8-21-07  
Effective Date: 4  
District # 4  
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 AUGUST 28 2007  
month day year

OPERATOR: License# 6039  
Name: L. D. DRILLING, INC.  
Address: 7 SW 26 AVE  
City/State/Zip: GREAT BEND, KS 67530  
Contact Person: L. D. DAVIS  
Phone: 620-793-3051

CONTRACTOR: License# 33323  
Name: PETROMARK DRILLING, INC.

Well Drilled For:  Oil  Gas  O/WO  Seismic; # of Holes  Other  
 Enh Rec  Storage  Disposal  Other  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  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  East  
NW - SW - NE Sec. 10 Twp. 20 S. R. 11  West  
1650 feet from  N /  S Line of Section  
2310 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
County: BARTON  
Lease Name: PANNING Well #: 3-10  
Field Name: CHASE SILICA  
Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): ARBUCKLE  
Nearest Lease or unit boundary: 330'  
Ground Surface Elevation: APPROX 1759' 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: 150'  
Depth to bottom of usable water: 230'  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 350'  
Length of Conductor Pipe required: NONE  
Projected Total Depth: 3375'  
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**

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KANSAS CORPORATION COMMISSION

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:

**AUG 15 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: AUGUST 14, 2007 Signature of Operator of Agent: Brian DeWitt Title: SECTREAS

**For KCC Use ONLY**  
API # 15 - 009-25090-0000  
Conductor pipe required None feet  
Minimum surface pipe required 250 feet per Alt. 1  
Approved by: KDH 8-16-07  
This authorization expires: 2-16-08  
(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

10  
20  
11/11

**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 - 009-25090-000  
 Operator: L. D. DRILLING, INC.  
 Lease: PANNING  
 Well Number: 3-10  
 Field: CHASE SILICA  
 Number of Acres attributable to well: 10  
 QTR / QTR / QTR of acreage: NW - SW - NE

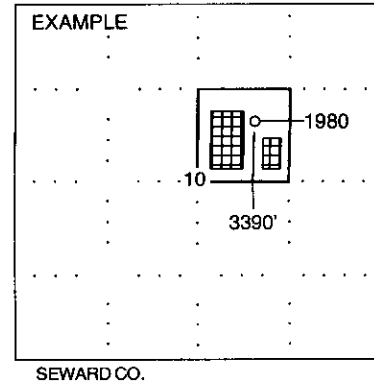
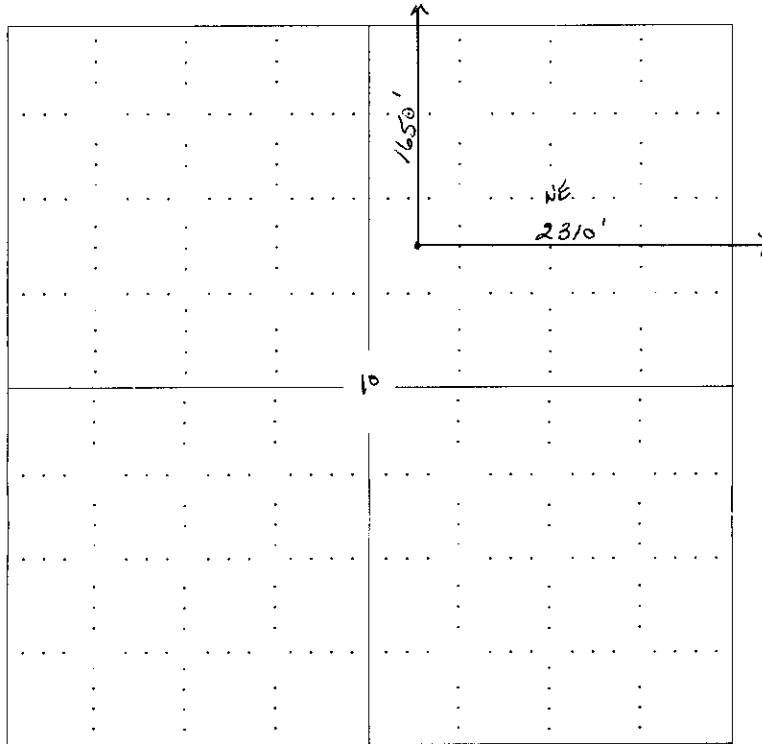
Location of Well: County: BARTON  
 1650 feet from  N /  S Line of Section  
 2310 feet from  E /  W Line of Section  
 Sec. 10 Twp. 20 S. R. 11  East  West

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 locaton.**

**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-16 for oil wells; CG-8 for gas wells).


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 KANSAS CORPORATION COMMISSION  
**AUG 15 2007**

CONSERVATION DIVISION  
 WICHITA, KANSAS

**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>L. D. DRILLING, INC.</b>		License Number: <b>6039</b>
Operator Address: <b>7 SW 26 AVE, GREAT BEND, KS 67530</b>		
Contact Person: <b>L.D. DAVIS</b>		Phone Number: ( <b>620</b> ) <b>793 - 3051</b>
Lease Name & Well No.: <b>PANNING #3-10</b>		Pit Location (QQQQ): <b>NW SW 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>3490</b> (bbls)	Sec. <b>10</b> Twp. <b>20</b> R. <b>11</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1650</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>2310</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>BARTON</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 type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>Bentonite &amp; Solids From Drlg Operation</b>
Pit dimensions (all but working pits): <u>70</u> Length (feet) <u>70</u> Width (feet) <b>N/A: Steel Pits</b> 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. <b>IF REQUIRED 10 MIL PLASTIC LINER EDGE COVERED WITH DIRT</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>VISUAL CHECK</b>
Distance to nearest water well within one-mile of pit <u>426</u> feet    Depth of water well <u>52</u> feet		Depth to shallowest fresh water <u>12</u> 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: <u>DRILLING FLUID CUTTINGS</u> Number of working pits to be utilized: <u>(3) SUCTION, SHALE, RESERVE</u> Abandonment procedure: <u>PITS ALLOWED TO EVAPORATE UNTIL DRY THEN BACKFILL WHEN CONDITIONS ALLOW</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.		<b>RECEIVED KANSAS CORPORATION COMMISSION</b>
<u>AUGUST 14, 2007</u> Date	 Signature of Applicant or Agent	<b>AUG 15 2007</b>
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>8/15/07</u> Permit Number: _____	Permit Date: <u>8/15/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	CONSERVATION DIVISION WICHITA, KS <i>RESERVE Call center send</i>

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

15-009-25090-0000



Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

August 15, 2007

Mr. L.D. Davis  
L.D. Drilling, Inc.  
7 SW 26 Ave  
Great Bend, KS 67530

RE: Drilling Pit Application  
Panning Lease Well No. 3-10  
NE/4 Sec. 10-20S-11W  
Barton County, Kansas

Dear Mr. Davis:

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 **if sand is encountered during the construction of the reserve pit or working pits, please call the District Office at (785) 625-0550**. The 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. **Please keep all pits away from any draws.**

**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, 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: File