

OWWO

For KCC Use: Effective Date: 9-17-07 District # 1 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 December 2002

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 September 15 2007 month day year

OPERATOR: License# 31406 Name: Prairie Resources, Inc. Address: 2530 NW Willow Road City/State/Zip: Medicine Lodge, KS 67104 Contact Person: Robert W. Packard Phone: (620) 886-3431

CONTRACTOR: License# 33549 Name: Landmark Drilling, LLC

Well Drilled For: Oil, Gas, OWWO, Seismic, Other. Wall Class: Enh Rec, Storage, Disposal, Other. Type Equipment: Mud Rotary, Air Rotary, Cable.

If OWWO: old well information as follows: Operator: Sunray DX Oil Co. Well Name: #1 Ernest McGuire Original Completion Date: 12-29-65 Original Total Depth: 3813'

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

Spot C NE NW Sec. 22 Twp. 31S S. R. 13W East West 660 feet from N S Line of Section 1980 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: Packard Nurse Well #: 3-22 OWWO Field Name: Nurse Is this a Prorated / Spaced Field? No Target Formation(s): Simpson Nearest Lease or unit boundary: 660' Ground Surface Elevation: 1632' Est feet MSL Water well within one-quarter mile: No Public water supply well within one mile: No Depth to bottom of fresh water: 180' Est Depth to bottom of usable water: Unknown 180' Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 13 3/8" was set @ 288' in 1965 Length of Conductor Pipe required: none Projected Total Depth: 4600' Formation at Total Depth: Simpson Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #: (Note: Apply for Permit with DWR) Will Cores be taken? 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;
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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 09-05-07 Signature of Operator or Agent: Robert W. Packard Title: President

For KCC Use ONLY API # 15 - 007-30197-00-01 Conductor pipe required None feet Minimum surface pipe required 288 feet per Alt. Approved by: RW 9-12-07 This authorization expires: 3-12-08 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.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: Date:

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

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22 31 13W

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 - 007-30197-00-01
 Operator: Prairie Resources, Inc.
 Lease: Packard
 Well Number: 3-22 OWWO
 Field: Nurse
 Number of Acres attributable to well: 40
 QTR / QTR / QTR of acreage: C - NE - NW

Location of Well: County: Barber
 660 feet from N / S Line of Section
 1980 feet from E / W Line of Section
 Sec. 22 Twp. 31S S. R. 13W East West

Is Section: Regular or Irregular

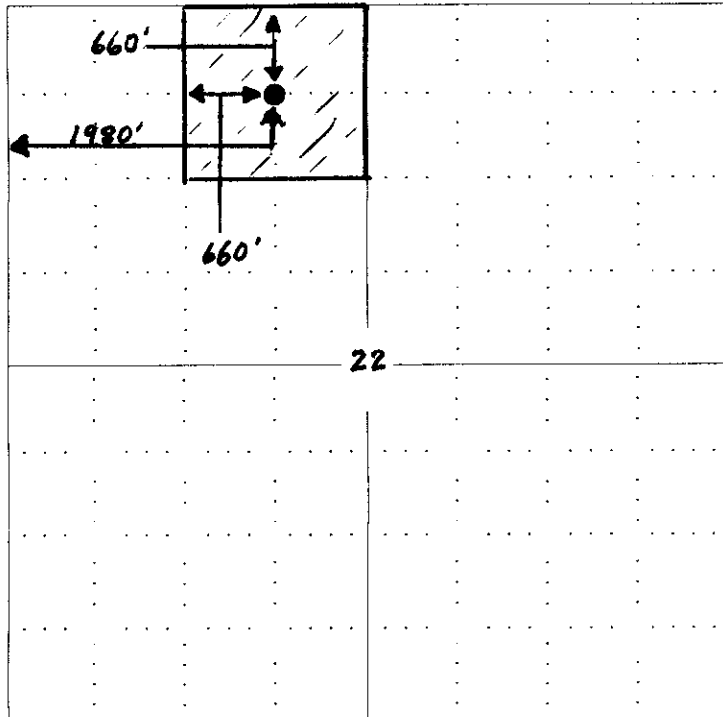
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

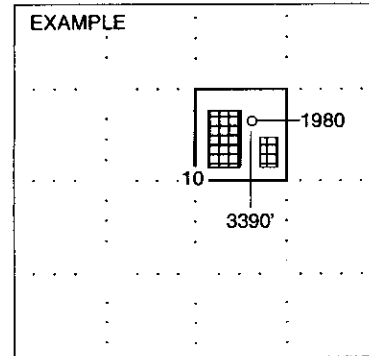
(Show footage to the nearest lease or unit boundary line.)



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SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling location.

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: (C0-7 for oil wells; CG-8 for gas wells).

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE POND**

Form CDP-1
January 2001
Form must be Typed

Submit in Duplicate

Operator Name: Prairie Resources, Inc.		License Number: 31406
Operator Address: 2530 NW Willow Road, Medicine Lodge, KS 67104		
Contact Person: Robert W. Packard		Phone Number: (620) 886 - 3431
Lease Name: Packard #3-22 OWWO		Pit Location:
Type of Pond: ___ Emergency Pit ___ Treatment Pit ___ Workover Pit <input checked="" type="checkbox"/> Drilling Pit ___ Burn Pit (If WP Supply API No. or Year Drilled) _____	Pit is: <input checked="" type="checkbox"/> Proposed ___ Existing If Existing, date constructed: _____ Pit capacity: 5000 (bbls)	NW Qtr. Sec. 22 Twp. 31S R. 13W <input type="checkbox"/> E <input checked="" type="checkbox"/> W 660 Feet from (N) S (circle one) Line of Section 1980 Feet from E (W) (circle one) Line of Section Barber _____ County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Treatment Pits only)</i>
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): <u>80</u> Length (feet) <u>80</u> Width (feet) 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.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
_____ _____ _____		RECEIVED KANSAS CORPORATION COMMISSION SEP 06 2007 CONSERVATION DIVISION WICHITA KS
Distance to nearest water well within one-mile of pit <u>2640</u> feet Depth of water well <u>60</u> feet	Depth to shallowest fresh water <u>35 est</u> feet. Source of information: ___ measured <input checked="" type="checkbox"/> well owner ___ electric log ___ KDWR	
Emergency, Treatment 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 pond? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling and Workover Pits ONLY: Type of material utilized in drilling/workover: <u>Drilling Mud</u> Number of working pits to be utilized: <u>One</u> Abandonment procedure: <u>Evaporate and 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.		
<u>09-05-07</u> Date	 Signature of Applicant or Agent	

15-007-30197-00-01

KCC OFFICE USE ONLY			
Date Received: <u>9/6/07</u>	Permit Number: _____	Permit Date: <u>9/10/07</u>	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
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

September 10, 2007

Mr. Robert W. Packard
Prairie Resources, Inc.
2530 NW Willow Rd
Medicine Lodge, KS 67104

RE: Drilling Pit Application
Packard Lease Well No. 3-22 OWWO
NW/4 Sec. 22-31S-13W
Barber County, Kansas

Dear Mr. Packard:

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 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 the pits away from the draw.**

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 (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.

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,

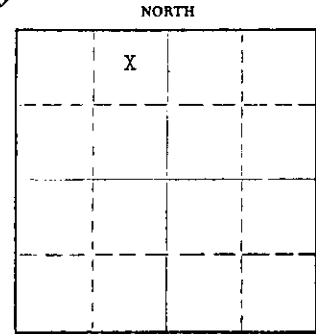
Kathy Haynes
Environmental Protection and Remediation Department

cc: File

15-007-30197-00-00

WELL PLUGGING RECORD

on Completely
ARdavit
er Report to:
ation Division
f Corporation Commission
1 No. Broadway
Wichita, Kansas



Locate well correctly on above
Section Plot

Name of Conservation Agent who supervised plugging of this well Archie Elyng
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 3813 Feet
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PU/IN	PULLED OUT
Lansing	Dry	3771	Td	13 3/8	288	0
Douglas	Dry	3751	3759			

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

Mud from 3813' to 275'
50 sacks cement plug from 275' to 40'
30 sacks cement plug from 40' to surface
5 sacks cement in rat hole

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WICHITA, KANSAS

(If additional description is necessary, use BACK of this sheet)
Name of Plugging Contractor Stickle Drilling Company
Address 1100 Biting Bldg. Wichita, Kansas

STATE OF Kansas COUNTY OF Sedgwick ss.
V.A. Tracy (employee of owner) or (owner) of the above-described

well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) V.A. Tracy
300 Union National Bldg. Wichita, Kansas
(Address)

Subscribed and sworn to before me this 23rd day of December, 19 65

My Commission Expires March 28, 1969 Mae Resco Notary Public.