

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

Form CP-1
September 2003
This Form must be Typed
Form must be Signed
All blanks must be Filled

API # 15 - 175 - 20543 - 0001 (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued,

indicate original spud or completion date _____.

Well Operator: Nichols Fluid Service, Inc. KCC License #: 31983

Address: 316 Industrial Park Ave (Owner/Company Name) City: Liberal (Operator's)

State: Kansas Zip Code: 67901 Contact Phone: (620) 624 - 5582

Lease: Johnson Herb Well #: 2 Sec. 16 Twp. 34 S. R. 32 East West

SW - NW - NE - _____ Spot Location / QQQQ County: Seward

4290 Feet (in exact footage) From North / South (from nearest outside section corner) Line of Section (Not Lease Line)

2310 Feet (in exact footage) From East / West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: Oil Well Gas Well D&A Cathodic Water Supply Well

SWD Docket # 021572 ENHR Docket # _____ Other: _____

Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks

Surface Casing Size: 8 5/8 Set at: 1629 Cemented with: _____ Sacks

Production Casing Size: 4 1/2 Set at: 4510 Cemented with: _____ Sacks

List (ALL) Perforations and Bridgeplug Sets: 4401-4413

2 3/8 tubing set at 4357 (J-55) Tubing cemented from top to bottom 4 1/2

Elevation: _____ (G.L. / K.B.) T.D.: _____ PBTD: _____ Anhydrite Depth: _____ (Stone Corral Formation)

Condition of Well: Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): Recommendation of Kansas Corporation Commission

Is Well Log attached to this application as required? Yes No Is ACO-1 filed? Yes No

If not explain why? _____

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission.

List Name of Company Representative authorized to be in charge of plugging operations: Danny W. Slater

Nichols Fluid Service, Inc. Phone: (620) 624 - 5582

Address: 316 Industrial Park Ave City / State: Liberal, Kansas 67901

Plugging Contractor: Sargent & Horton Plugging KCC License #: 31151

Address: RT 1 Box 49BA Tyrone, OK 73951-9731 (Company Name) Phone: (580) 854 - 6515 (Contractor's)

Proposed Date and Hour of Plugging (if known?): _____

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 05/31/2007 Authorized Operator / Agent: Danny W. Slater

(Signature)

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

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JUN 04 2007

CONSERVATION DIVISION
WICHITA, KS



Kathleen Sebelius, Governor
Brian J. Moline, Chair
Robert E. Krehbiel, Commissioner
Michael C. Moffet, Commissioner

April 23, 2007

Nichols Fluid Service Inc.
Attn: Danny Slater
316 Industrial Park Ave.
Liberal KS 67901

**Re: Failed Mechanical Integrity Test
Johnson #2
SW NW NE Sec. 16-34S-32W, Seward County, Kansas
Docket No. # D-21572
Operator License No. 31983**

Dear Operator:

On April 12, 2007 the above-referenced well was tested for Mechanical Integrity but did not pass the test. K.A.R. 82-3-407 states that:

Any well failing to demonstrate mechanical integrity ... shall have no more than 90 days from the date of initial failure in which to either:

- (1) repair and retest the well to demonstrate mechanical integrity;
- (ii) plug the well; or
- (iii) isolate the leak or leaks to demonstrate that the well will not pose a threat to fresh or usable water resources or endanger correlative rights.

The 90-day period within which you must meet the above-stated requirements expires August 12, 2007. In the meantime, the well is not permitted to operate, and must be shut in until it complies with K.A.R. 82-3-407.

We ask that you contact this office as soon as possible, to let us know what your plans are for bringing the well into compliance with K.A.R. 82-3-407. **Failure to comply with K.A.R. 82-3-407 may result in formal Commission enforcement action, including a monetary penalty of \$1000.00.**

Thank you for your cooperation in this matter, and please call me if you have any questions.

Very truly yours,

Richard W. Lacey
Compliance Officer

cc: UIC Department

CONSERVATION DIVISION • DISTRICT OFFICE NO. 1
210 E. Frontview, Suite A, Dodge City, KS 67801
(620) 225-8888 • Fax: (620) 225-8885 • <http://kcc.ks.gov/>

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CONSERVATION DIVISION
WICHITA, KS

**WORK ORDER CONTRACT
AND PRE-TREATMENT DATA**

ATTACH TO INVOICE & TICKET NO. **731042**

LIBERAL ES.

DATE **1-6-89**

HALLIBURTON SERVICES YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICEMEN TO DELIVER AND OPERATE THE SAME AS AN INDEPENDENT CONTRACTOR TO: **Nichols Fluid Service** (CUSTOMER) AND DELIVER AND SELL PRODUCTS, SUPPLIES, AND MATERIALS FOR THE PURPOSE OF SERVICING

WELL NO. _____ LEASE **Nichols Disposal** SEC. _____ TWP. _____ RANGE _____
 COUNTY **SEWARD** STATE **KS** OWNED BY **Nichols Fluid Service**

THE FOLLOWING INFORMATION WAS FURNISHED BY THE CUSTOMER OR HIS AGENT

FORMATION NAME _____ TYPE _____
 FORMATION THICKNESS _____ FROM _____ TO _____
 CACKER: TYPE _____ SET AT: **4460'**
 TOTAL DEPTH _____ MUD WEIGHT _____
 CORE HOLE _____
 INITIAL PROD: OIL _____ BPD, H₂O _____ BPD, GAS _____ MCF _____
 PRESENT PROD: OIL _____ BPD, H₂O _____ BPD, GAS _____ MCF _____

	NEW USED	WEIGHT	SIZE	FROM	TO	MAX. ALLOW. P.S.I.
CASING	<input checked="" type="checkbox"/>		4 1/2	15B	18770 4472	
LINER						
TUBING		4.7	2 3/8	15B	7460'	
OPEN HOLE						SHOTS/FT.
PERFORATIONS						
PERFORATIONS						
PERFORATIONS						

PREVIOUS TREATMENT: DATE _____ TYPE _____ MATERIALS _____
 TREATMENT INSTRUCTIONS: TREAT THRU TUBING ANNULUS CASING TUBING/ANNULUS HYDRAULIC HORSEPOWER ORDERED

**CEMENT 2 3/8 TB, inside 4 1/2 CASINGS
 WITH 150 SACKS HLC 7/8" BITSONTS
 200 SACKS HLC**

CUSTOMER OR HIS AGENT WARRANTS THE WELL IS IN PROPER CONDITION TO RECEIVE THE PRODUCTS, SUPPLIES, MATERIALS, AND SERVICES

As consideration, the above-named Customer agrees: **THIS CONTRACT MUST BE SIGNED BEFORE WORK IS COMMENCED**

- (a) To pay Halliburton in accord with the rates and terms stated in Halliburton's current price lists.
- (b) Halliburton shall not be responsible for and Customer shall secure Halliburton against any liability for damage to property of Customer and of the well owner (if different from Customer), unless caused by the willful misconduct or gross negligence of Halliburton; this provision applying to but not limited to subsurface damage and surface damage arising from subsurface damage.
- (c) Customer shall be responsible for and secure Halliburton against any liability for reservoir loss or damage, or property damage resulting from subsurface pressure, losing control of the well and/or a well blowout, unless such loss or damage is caused by the willful misconduct or gross negligence of Halliburton.
- (d) Customer shall be responsible for and secure Halliburton against any and all liability of whatsoever nature for damages as a result of subsurface trespass, or an action in the nature thereof, arising from a service operation performed by Halliburton hereunder.
- (e) Customer shall be responsible for and secure Halliburton against any liability for injury to or death of persons, other than employees of Halliburton, or damage to property (including, but not limited to, injury to the well), or any damages whatsoever, irrespective of cause, growing out of or in any way connected with the use of radioactive material in the well hole, unless such damage shall be caused by the willful misconduct or gross negligence of Halliburton.
- (f) Halliburton makes no guarantee of the effectiveness of the products, supplies or materials, nor of the results of any treatment or service.
- (g) To the extent permitted by law, waives the provisions of the Deceptive Trade Practices - Consumer Protection Act.
- (h) Customer shall, at its risk and expense, attempt to recover any Halliburton equipment, tools or instruments which are lost in the well and if such equipment, tools or instruments are not recovered, Customer shall pay Halliburton its replacement cost unless such loss is due to the sole negligence of Halliburton. If Halliburton equipment, tools or instruments are damaged in the well, Customer shall pay Halliburton the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of Halliburton. In the case of equipment, tools or instruments for marine operations, Customer shall, in addition to the foregoing, be fully responsible for loss of or damage to any of Halliburton's equipment, tools or instruments which occurs at any time after delivery to Customer, at the landing until returned to the landing, unless such loss or damage is caused by the sole negligence of Halliburton.
- (i) Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, Halliburton is unable to guarantee the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by Halliburton. Halliburton personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Halliburton shall not be responsible for any damages arising from the use of such information except where due to Halliburton's gross negligence or willful misconduct in the preparation or furnishing of it.
- (j) Halliburton warrants only title to the products, supplies and materials and that the same are free from defects in workmanship and materials. **THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE.** Halliburton's liability and Customer's exclusive remedy in any cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on their return to Halliburton or, at Halliburton's option, to the allowance to the Customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, punitive or consequential damages.
- (k) Invoices payable NET by the 20th of the following month after date of invoice. Upon Customer's default in payment of Customer's account by the last day of the month following the month in which the invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% per annum. In the event it becomes necessary to employ an attorney to enforce collection of said account, Customer agrees to pay all collection costs and attorney fees in the amount of 20% of the amount of the unpaid account.
- (l) This contract shall be governed by the law of the state where services are performed or equipment or materials are furnished.
- (m) Halliburton shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized executive officer of Halliburton.

I HAVE READ AND UNDERSTAND THIS CONTRACT AND REPRESENT THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT.

SIGNED _____ DATE _____
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 CUSTOMER KANSAS CORPORATION COMMISSION

JUN 04 2007

We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to services furnished under this contract.

TIME _____ A.M. P.M.

FIELD OFFICE

CONSERVATION DIVISION
 WICHITA, KS

5G

TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
			T	C	TUBING	CASING	
0745							called out
0900							Time requested
0905							on loc
0915							setup
1010							START MIXING CEMENT
1012	2		1		100		START CEMENT DOWN TBY 150 lbs
1027		53	1		250		FINISH CEMENT
1028			1				WASH UP
1030			1				drop TBY plus
1032	2		1		100		START Drop TBY. NO RETURNS.
1041			1		100 / 1000		press washup on plus
1041			1		100		pump plus out
1042		16.5	1		100		FINISH Drop casing
1233	1						pump on TUBING
1237		5	1		100 / 1000		press to 1000 THEN BACK TO 0
1245		39	1		100		FINISH pumping TBY ON UAC
4430							ASSET PER C 4260
1430							WOO
1915							START MIXING CEMENT 200 SR
15:15	3						START CEMENT DOWN Ann.
16:00		55					FINISH MIXING & pump out
16:02							Hookup TO TBY
16:03	15				200 / 1000		pump down TBY
16:14		15			750		shut down
16:23					150		press drop TO 150, shut in TBY
16:25							WASHUP
1645							open TBY ON UAC.
1700							TRUCK RELEASED

Thank you for
 calling Haliburton
 E. Owen & crew

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JUN 04 2007



CORPORATION COMMISSION

Kathleen Sebelius, Governor Brian J. Moline, Chair Robert E. Krehbiel, Commissioner Michael C. Moffet, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

NICHOLS FLUID SERVICE, INC.
316 INDUSTRIAL PARK AVE.
LIBERAL, KS 67901

June 11, 2007

Re: JOHNSON HERB #2
API 15-175-20543-00-01
16-34S-32W, 4290 FSL 2310 FEL
SEWARD COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.**

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. This notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well. **This notice is void after 180 days from its date. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.**

Sincerely

Steve Bond
Production Department Supervisor

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(620) 225-8888