

For KCC Use: 9-19-07
Effective Date: 2
District #: 2
SGA? ☒ Yes ☐ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form C-1
December 2002
Form must be Signed
All blanks must be Filled

Expected Spud Date September 12, 2007
month day year

OPERATOR: License# 32753
Name: Seed Group & Present Development
Address: P.O. Box 771189
City/State/Zip: Wichita, Kansas 67277-1189
Contact Person: Paul C. Carageannis
Phone: 316-807-1209

CONTRACTOR: License# 32753
Name: AA Drill-N

Well Drilled For:	Well Class:	Type Equipment:
☒ Oil	☐ Enh Rec	☐ Infield
☐ Gas	☐ Storage	☒ Mud Rotary
☒ OAWO	☐ Disposal	☐ Pool Ext.
☐ Seismic; # of Holes	☐ Wildcat	☐ Air Rotary
☐ Other	☐ Other	☐ Cable

If OWWO: old well information as follows:
Operator: Petro Gas Energies, Inc.
Well Name: #1 Seiwert
Original Completion Date: 5/9/87 Original Total Depth: 4440
Directional, Deviated or Horizontal wellbore? ☐ Yes ☒ No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot NW NE SW Sec. 7 Twp. 31 S. R. 3
2310' feet from ☐ N / ☒ S Line of Section
1750' feet from ☐ E / ☒ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Sumner
Lease Name: Seiwert Well #: 1
Field Name: Kerschen Ext
Is this a Prorated / Spaced Field? ☐ Yes ☒ No
Target Formation(s): Simpson
Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 1412 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: 50'
Depth to bottom of usable water: 100'
Surface Pipe by Alternate: ☐ 1 ☐ 2
Length of Surface Pipe ~~Planned to be set:~~ N/A 203'
Length of Conductor Pipe required: N/A
Projected Total Depth: 4440'
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? ☐ Yes ☒ No
If Yes, proposed zone: _____

* SURFACE CASING EXCEPTION GRANTED.

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-11, 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: 09/11/07 Signature of Operator or Agent: _____ Title: Geologist

SEP 11 2007

CONSERVATION DIVISION
WICHITA, KS

For KCC Use ONLY

API # 15 - 191-01011-00-02
Conductor pipe required None feet
Minimum surface pipe required 203 feet per Alt. 1
Approved by: Kut#9-14-07
This authorization expires: 3-14-08
(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

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 - 15-191-01011-00-02
 Operator: Seed Group & Cresnet Development
 Lease: Seiwert
 Well Number: 1
 Field: Kerschen Ext
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NW - NE - SW

Location of Well: County: Sumner
2310' feet from ☐ N / ☒ S Line of Section
1750' feet from ☐ E / ☒ W Line of Section
 Sec. 7 Twp. 31 S. R. 3 ☐ East ☒ West

Is Section: ☒ Regular or ☐ Irregular

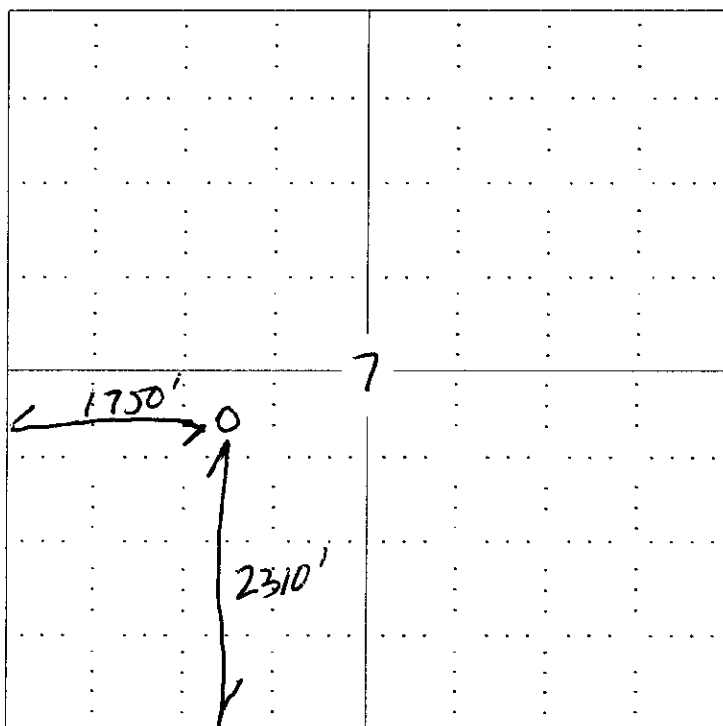
If Section is Irregular, locate well from nearest corner boundary.

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

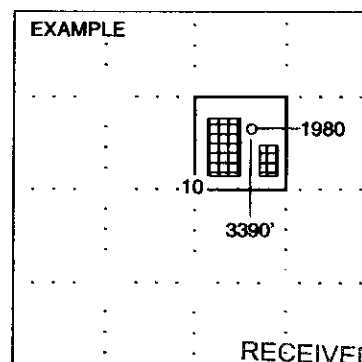
PLAT

(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.



RECEIVED
 SEWARD CO. KANSAS CORPORATION COMMISSION

SEP 11 2007

CONSERVATION DIVISION
 AGENCY

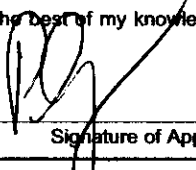
In plotting the proposed location of the well, you must show:

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 PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Seed Group & Crescent Development		License Number: 32753
Operator Address: P.O. Box 771189, Wichita, Kansas 67277-1189		
Contact Person: Paul C. Carageannis		Phone Number: () - - -
Lease Name & Well No.: #1 Seiwert		Pit Location (QQQQ): C NW NE SW Sec. 7 Twp. 31S R. 1 ☐ East ☒ West 2310' Feet from ☐ North / ☒ South Line of Section 1750' Feet from ☐ East / ☒ West Line of Section Sumner County
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☐ Proposed ☒ Existing If Existing, date constructed: 9/09/07 Pit capacity: 1000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? ☐ Yes ☒ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used? gel seal
Pit dimensions (all but working pits): 60' Length (feet) 60' Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 6' (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 2.87 feet Depth of water well 67 feet		Depth to shallowest fresh water 26 feet. Source of information: _____ measured _____ well owner _____ electric log (1) 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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: chemical mud Number of working pits to be utilized: 3 Abandonment procedure: remove free fluids and let dry and cover. 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.		
09/11/07 Date	 Signature of Applicant or Agent	SEP 11 2007 RECEIVED KANSAS CORPORATION COMMISSION CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: 9/11/07	Permit Number: _____	Permit Date: 9/12/07 Lease Inspection: ☒ Yes ☐ No

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

15-191-01011-00-02

Box R77248

STATE OF KANSAS
STATE CORPORATION COMMISSION
200 Colorado Derby Building
Wichita, Kansas. 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

API NUMBER 15-191-01,011-00-01

LEASE NAME Seiwert

TYPE OR PRINT
NOTICE: Fill out completely
and return to Cons. Div.
office within 30 days.

WELL NUMBER 1

2310 Ft. from S Section Line

3630 Ft. from E Section Line

SEC. 7 TWP. 31 RGE. 3 (X) or (W)

COUNTY Sumner

Date Well Completed 5-16-87

Plugging Commenced 5-16-87

Plugging Completed 5-16-87

LEASE OPERATOR Petro Gas Energies, Inc.

ADDRESS Suite 520, 200 E. First, Wichita, KS 67202

PHONE (316) 262-2944 OPERATORS LICENSE NO. 5906

Character of Well D&A

(Oil, Gas, D&A, SWD, Input, Water Supply Well)

Did you notify the KCC/KDHE Joint District Office prior to plugging this well? yes

Which KCC/KDHE Joint Office did you notify? #2

Is ACO-1 filed? Yes If not, is well log attached?

Producing Formation Depth to Top Bottom T.D. 4440 per ACO-1

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

8518e 203

Formation	Content	From	To	Size	Put In	Pulled out

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 each set.

60/40 Pozmix 35 sacks @ 1240'

4% gel 35 sacks @ 255'

25 sacks @ 60' w/wood plug

10 sacks in rathole

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor ALLEN DRILLING COMPANY License No. 5418

Address P.O. Box 1389 Great Bend, KS 67530

STATE OF Kansas COUNTY OF Barton, ss.

John A. Johnson

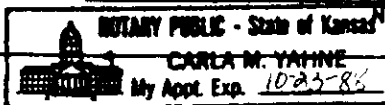
(Employee of Operator) or Operator of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

(Signature)

(Address) P.O. Box 1389, Great Bend, KS 67530

SUBSCRIBED AND SWORN TO before me this 29th day of May, 1987

My Commission Expires:



Notary Public, State of Kansas
CARLA M. YEHNE
Wichita, Kansas



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

September 12, 2007

Mr. Paul C. Carageannis
Seed Group & Crescent Development
PO Box 771189
Wichita, KS 67277-1189

Re: Drilling Pit Application
Seiwert Lease Well No. 1
SW/4 Sec. 07-31S-03E
Sumner County, Kansas

Dear Mr. Carageannis:

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 lined with **bentonite**. The fluids are to be removed from the reserve pit 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.

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

**Paul C. Carageannis
d/b/a SEED Group
P.O. Box 771189
Wichita, Kansas 67277-1189
316-807-1209**

September 13, 2007

**Mr. Rick Hostermann
Kansas State Corporation Commission
30 S. Market, Room 2078
Wichita, Kansas 67202**

**Re: Request for Exemption of Minimum Surface Casing Requirement,
Solwert #1 OWWO
NW NE SW, 7-T31S-R3W
Sumner County, Kansas**

Dear Mr. Hostermann,

This letter will confirm our conversation on September 12, 2007 concerning the above captioned.

SEED GROUP hereby requests an exemption for surface casing requirements based on the fact that this well is a re-entry of a well drilled in 1959 when the minimum surface casing requirement was 200 feet. Also this well was re-entered by Petro Gas Energies, Inc. in 1987 and must have already had approved an exemption previous to re-entry at that time.

Seed Group hereby accepts responsibility for any groundwater damage that might occur from the future operations of said well if the exemption is hereby granted.

Respectfully,

**Paul C. Carageannis
Geologist**

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KANSAS CORPORATION COMMISSION**

SEP 13 2007

**CONSERVATION DIVISION
WICHITA KS**



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

September 14, 2007

Paul Carageannis
Seed Group
P.O. Box 771189
Wichita, KS 67277-1189

RE: Seiwert #1 OWWO, 2310' FSL, 1750' FEL Sec. 7-T31S-R3W Sumner County, Kansas

Dear Mr. Carageannis:

The Kansas Corporation Commission (KCC) has received your request, dated September 13, 2007, for an exception to Table 1 surface pipe requirements for the above-referenced well, which was originally drilled and plugged as the Grady #1 in 1959 and subsequently re-entered plugged again in 1987. From your request, the KCC understands that Seed Group desires to re-enter this well, which has 203' of surface pipe set. The Table 1 minimum surface pipe requirement setting depth for wells drilled in Sumner County is 250'. The surface pipe set in this previously plugged well does not meet the present surface pipe setting depth requirements.

After review of this matter by technical staff it was determined that:

1. Bedrock at this location is the Permian Ninnescan Shale.
2. Depth to bedrock is approximately 60 feet.
3. The depth of the deepest water well of record within a six mile radius is 135 feet.
4. The existing surface casing is set approximately 143 feet into bedrock through all unconsolidated material and adequately protects fresh and usable groundwater.

Based on this information, an exception is granted for the Table 1 Minimum Surface Casing Requirements with the following stipulation:

1. In the event the well is dry and no additional production pipe has been cemented in-place, plugging will be performed according to KCC rules per KCC District #2 requirements.

Sincerely,


Doug Louis
Director

cc: Steve Bond SB
Jeff Klock - Dist #2 ✓ via e-mail