

| For KCC Use:    |            |      |
|-----------------|------------|------|
| Effective Date: | 11/18/2007 |      |
| District #1     |            | <br> |

## Kansas Corporation Commission Oil & Gas Conservation Division

014163

Form C-1
October 2007
Form must be Typed
Form must be Signed

| SGA? No NOTICE OF INTENT TO DRILL  Must be approved by KCC five (5) days prior to commencing well   |   |  |  |  |
|---|---|--|--|--|
| Expected Spud Date: 11/20/2007 month day year  OPERATOR: License#   | Spot Description:  SE NW SW SW Sec. 12 Twp. 22 S. R. 13 EXW  (0.0:0:0:0) 737 feet from N / X S Line of Section  |  |  |  |
| Name: Murfin Drilling Co., Inc.   | 540 feet from E / W Line of Section   |  |  |  |
| Address 1: 250 N WATER STE 300  | Is SECTION: X Regular Irregular?  |  |  |  |
| Address 2:         State:         KS         Zip:         67202         + 1216           Contact Person:         Shauna Gunzelman           Phone:         316-267-3241 | (Note: Locate well on the Section Plat on reverse side)  County: Stafford  Lease Name: M. Drach Well #: 2-12  |  |  |  |
| Phone: 316-267-3241  CONTRACTOR: License# 30606  Name: Murfin Drilling Co., Inc.  | Field Name: Drach  Is this a Prorated / Spaced Field?  Target Formation(s): Lansing Kansas City, Arbuckle   |  |  |  |
| Well Drilled For: Well Class: Type Equipment:    Oil  | Nearest Lease or unit boundary line (in footage): 540  Ground Surface Elevation: 1902 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: 220  Depth to bottom of usable water: 220  Surface Pipe by Alternate: I I I II  Length of Surface Pipe Planned to be set: 700  Length of Conductor Pipe (if any): 0  Projected Total Depth: 3850  Formation at Total Depth: Arbuckle  Water Source for Drilling Operations: |  |  |  |
| Directional, Deviated or Horizontal wellbore?  If Yes, true vertical depth:  Bottom Hole Location:  KCC DKT #:  | Well Farm Pond Other: haul  DWR Permit #:  (Note: Apply for Permit with DWR )  Will Cores be taken?   |  |  |  |
| APTI  | If Yes, proposed zone:  |  |  |  |
| The undersigned hereby affirms that the drilling, completion and eventual plug-   |   |  |  |  |
| It is agreed that the following minimum requirements will be met:   | 200 2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -   |  |  |  |

- 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.

#### Submitted Electronically

|   | Remember to:  | 12 |
|---|---|----|
| For KCC Use ONLY  API # 15 - 15-185-23486-00-00   | <ul> <li>File Drill Pit Application (form CDP-1) with Intent to Drill;</li> <li>File Completion Form ACO-1 within 120 days of spud date;</li> <li>File acreage attribution plat according to field proration orders;</li> </ul> | N  |
| Conductor pipe required .0 feet  Minimum surface pipe required 240 feet per ALT. I III                                      | <ul> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> <li>Submit plugging report (CP-4) after plugging is completed (within 60 days);</li> </ul>   | N  |
| Approved by: Rick Hestermann 11/13/2007   | <ul> <li>Obtain written approval before disposing or injecting salt water.</li> </ul>   | ಎ  |
| This authorization expires: 11/13/2008 (This authorization void if drilling not started within 12 months of approval date.) | <ul> <li>If this permit has expired (See: authorized expiration date) please<br/>check the box below and return to the address below.</li> </ul>  |    |
| (This authorization void it driving hot started within 12 months of approval date.)   | Well Not Drilled - Permit Expired Date:   | Ш  |
| Spud date: Agent:   | Signature of Operator or Agent:   | Ş  |



#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

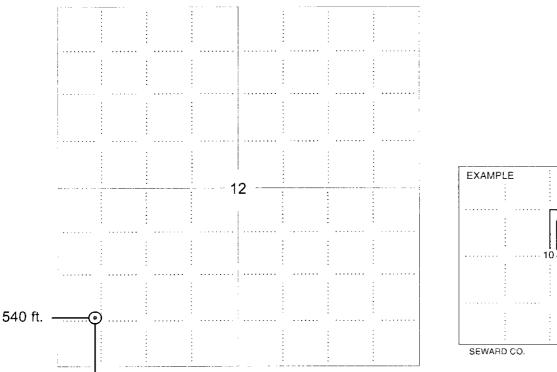
Plat of acreage attributable to a well in a prorated or spaced field

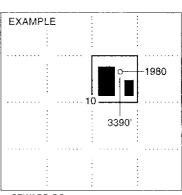
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 15-185-23486-00-00  |                                      |   |  |
|--|--------------------------------------|---|--|
| Operator: Murfin Drilling Co., Inc.  | Location of Well: County: Stafford   |   |  |
| Lease: M. Drach  | 737                                  | feet from N / X S Line of Section                     |  |
| Well Number: 2-12  | 540                                  | feet from E / X W Line of Section                     |  |
| Field: Drach   | 540<br>Sec. <u>12</u> Twp. <u>22</u> | S. R. 13 E X W  |  |
| Number of Acres attributable to well:  QTR/QTR/QTR/QTR of acreage: SE - NW - SW - SW | ls Section: X Regular o              | r Irregular   |  |
|  |                                      | ite well from nearest corner boundary.<br>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.

737 ft.

### 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,
- 2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
- 3. The distance to the nearest lease or unit boundary line (in footage).
- 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

1014163

Form CDP-1 April 2004 Form must be Typed

# APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: Murfin Drilling Co., Inc.   |                                | License Number: 30606                                   |  |  |  |
|--|--------------------------------|---|--|--|--|
| Operator Address: 250 N WATER STE 300  |                                | WICHITA KS 67202  |  |  |  |
| Contact Person: Shauna Gunzelman   |                                |   | Phone Number: 316-267-3241   |  |  |
| Lease Name & Well No.: M. Drach  | 2-1                            | 12  | Pit Location (QQQQ):   |  |  |
| Type of Pit:   | Pit is:                        |   | SE NW SW SW  |  |  |
| Emergency Pit Burn Pit   | Proposed                       | Existing  | Sec. 12 Twp. 22 R. 13 East West  |  |  |
| Settling Pit Drilling Pit  | If Existing, date constructed: |   | 737 Feet from North / South Line of Section  |  |  |
| ☐ Workover Pit ☐ Haul-Off Pit  | Pit capacity:                  |   | Feet fromEast / X West Line of Section   |  |  |
| (If WP Supply API No. or Year Drilled)   |                                |   | Stafford County  |  |  |
| 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?  Bentonite and solids from drilling operations self seal pits |  |  |
| Pit dimensions (all but working pits):   | 00 Length (fe                  | et)100  | Width (feet) N/A: Steel Pits   |  |  |
|  | om ground level to de          | eepest point:   | 4 (feet) No Pit  |  |  |
|  |                                |   | dures for periodic maintenance and determining ncluding any special monitoring.                                    |  |  |
|  |                                |   |  |  |  |
|  |                                |   |  |  |  |
|  |                                |   |  |  |  |
|  |                                |   | west fresh water21feet.  |  |  |
| 064  |                                |   | ource of information:  measured well owner electric log KDWR   |  |  |
| ,  |                                | Drilling, Work  | ing, Workover and Haul-Off Pits ONLY:  |  |  |
| Producing Formation:   |                                | Type of materia   | al utilized in drilling/workover: Bentonite  |  |  |
|  |                                | 1   | king pits to be utilized: 4  |  |  |
| Barrels of fluid produced daily: Abandonmo   |                                | Abandonment   | procedure: Allow pits to evaporate until dry then backfill when conditions allow                                   |  |  |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No                     |                                | Drill pits must be closed within 365 days of spud date. |  |  |  |
|  |                                | <u> </u>  |  |  |  |
| Cultural Flootropically  |                                |   |  |  |  |
| Submitted Electronically   |                                |   |  |  |  |
|  |                                |   |  |  |  |
| KCC OFFICE USE ONLY Steel Pit RFAC RFAS  |                                |   |  |  |  |
| Date Received: 11/12/2007 Permit Number: 15-185-23486-00-00 Permit Date: 11/13/2007 Lease Inspection: X Yes No |                                |   |  |  |  |



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

November 13, 2007

Shauna Gunzelman Murfin Drilling Co., Inc. 250 N WATER STE 300 WICHITA, KS67202-1216

Re: Drilling Pit Application
M. Drach Lease Well No. 2-12
SW/4 Sec.12-22S-13W
Stafford County, Kansas

#### Dear Shauna Gunzelman:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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.

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: kcc.ks.gov/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 District Office at (620) 225-8888.