

For KCC Use:
Effective Date: 12-17-07
District # 4
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 Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date December 17, 2007
month day year

OPERATOR: License# 4058
Name: AMERICAN WARRIOR, INC.
Address: P. O. Box 399
City/State/Zip: Garden City, Kansas 67846-0399
Contact Person: Cecil O'Brate
Phone: 620/275-9231

CONTRACTOR: License# 5929
Name: DUKE DRILLING CO., INC.

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

If OWO: 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 70'S & 90'E of
C-2/2 - 4/2 - SW Sec. 23 Twp. 20S S. R. 13 ☐ East ☒ West
1250 feet from ☐ N / ☒ S Line of Section
1740 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: SCHARTZ Well #: 2-23

Field Name: _____

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Information(s): Arbuckle

Nearest Lease or unit boundary: 1250'

Ground Surface Elevation: 1867' 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: 120'

Depth to bottom of usable water: 180' 280'

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 280' 300'

Length of Conductor Pipe required: N/A

Projected Total Depth: 3600'

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

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; 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: Dec. 12, 2007 Signature of Operator or Agent: Sally R. Byers Title: Agent

Sally R. Byers

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: _____ RECEIVED KANSAS CORPORATION COMMISSION

For KCC Use ONLY

API # 15 - 009-25141-0000
Conductor pipe required None feet
Minimum surface pipe required 300 feet per Alt. 1
Approved by: put 12-12-07
This authorization expires: 12-12-08
(This authorization void if drilling not started within 12 months of effective date.)
Spud date: _____ Agent: _____

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

DEC 12 2007

CONSERVATION DIVISION
WICHITA, KS

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 - 009-25141-0000

Operator: _____

Lease: _____

Well Number: _____

Field: _____

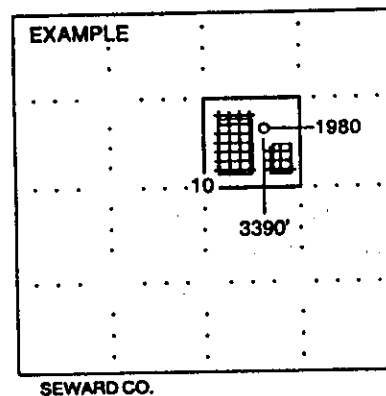
Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: _____

_____ feet from ☐ N / ☐ S Line of Section_____ feet from ☐ E / ☐ W Line of SectionSec. _____ Twp. _____ S. R. _____ ☐ East ☐ WestIs 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.**

BARTON COUNTY

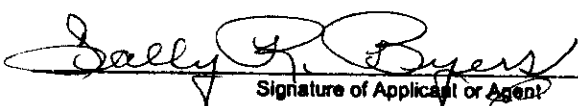
In plotting the proposed location of the well, you must show:

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: AMERICAN WARRIOR, INC.		License Number: 4058
Operator Address: P. O. Box 399, Garden City, Kansas 67846-0399		
Contact Person: Cecil O'Brate		Phone Number: (620) 275 - 9231
Lease Name & Well No.: SCHARTZ #2-23		Pit Location (QQQQ): NE 1/4 Sec 23 Twp 20S R 13 SW
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: _____ Pit capacity: 4800 (bbls)	Sec. 23 Twp. 20S R. 13 ☐ East ☒ West 1250 Feet from ☐ North / ☒ South Line of Section 1740 Feet from ☐ East / ☒ West Line of Section Barton 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? Native Mud and Clay
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (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 DEC 12 2007 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit 646 feet Depth of water well 60 feet		Depth to shallowest fresh water 25 feet. Source of Information: _____ measured _____ well owner _____ electric log ☒ KOWR
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: Fresh Number of working pits to be utilized: 3 Abandonment procedure: evaporate then backfill 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. 12/12/07 Date  Signature of Applicant or Agent		
KCC OFFICE USE ONLY RS+C		
Date Received: 12/12/07 Permit Number: _____ Permit Date: 12/12/07 Lease Inspection: ☒ Yes ☐ No		

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

15009-25141-0000



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

December 12, 2007

Cecil O'Brate
American Warrior, Inc.
PO Box 399
Garden City, KS 67846-0399

RE: Drilling Pit Application
Schartz Lease Well No. 2-23
SW/4 Sec. 23-20S-13W
Barton County, Kansas

Dear Mr. O'Brate:

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 all pits away from any draws.**

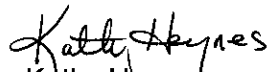
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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 (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

Department of Environmental Protection and Remediation

cc: File