

For KCC Use: **2-3-08**
 Effective Date: **2**
 District #: **2**
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
 October 2007
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date: January 30th 2008
month day year

Spot Description: 100' N of Center
 S/2 NW NW Sec. 14 Twp. 26 S. R. 2 E W
 890 feet from N / S Line of Section
 660 feet from E / W Line of Section

OPERATOR: License# **34009** ✓
 Name: Blue Steel Investments, LLC
 Address 1: 1900 S.E. 15th, Bldg. 600E
 Address 2:
 City: Edmond State: OK Zip: 73013
 Contact Person: Rodney Babb
 Phone: 405-340-1187
 CONTRACTOR: License# **33724** ✓
 Name: Warren Drilling, LLC

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

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

County: Sedgwick
 Lease Name: Blue Steel Hamant Well #: SWD
 Field Name: **Greenwich**
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Granite Wash
 Nearest Lease or unit boundary line (in footage): 330'
 Ground Surface Elevation: 1385' Est. 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: 100'
 Depth to bottom of usable water: 150'
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 200'
 Length of Conductor Pipe (if any): none
 Projected Total Depth: 5000'
 Formation at Total Depth: Granite Wash
 Water Source for Drilling Operations: Well Farm Pond Other
 DWR Permit #: (Note: Apply for Permit with DWR)

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 #:

Will Cores be taken? Yes No
 If Yes, proposed zone:

AFFIDAVIT

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The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

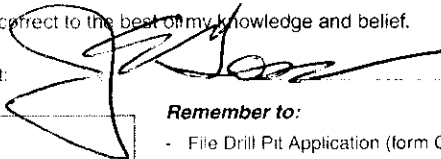
It is agreed that the following minimum requirements will be met:

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.

JAN 29 2008

CONSERVATION DIVISION
 WICHITA, KS

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

Date: 1-28-2008 Signature of Operator or Agent:  Title: Agent

For KCC Use ONLY
 API # 15 - **173-20993-0000**
 Conductor pipe required **None** feet
 Minimum surface pipe required **200** feet per ALT I II
 Approved by: **Yum 1-29-08**
 This authorization expires: **1-29-09**
 (This authorization void if drilling not started within 12 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 (within 60 days);
 - 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 Date: _____
 Signature of Operator or Agent:

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 - **173-20993-0000**

Operator: Blue Steel Investments, LLC

Lease: Blue Steel Hamant

Well Number: **SWD**

Field:

Number of Acres attributable to well:

QTR/QTR/QTR/QTR of acreage: S/2 NW NW

Location of Well: County: Sedgwick

890 feet from N / S Line of Section

660 feet from E / W Line of Section

Sec. 14 Twp. 26 S. R. 2 E W

Is Section: Regular or Irregular

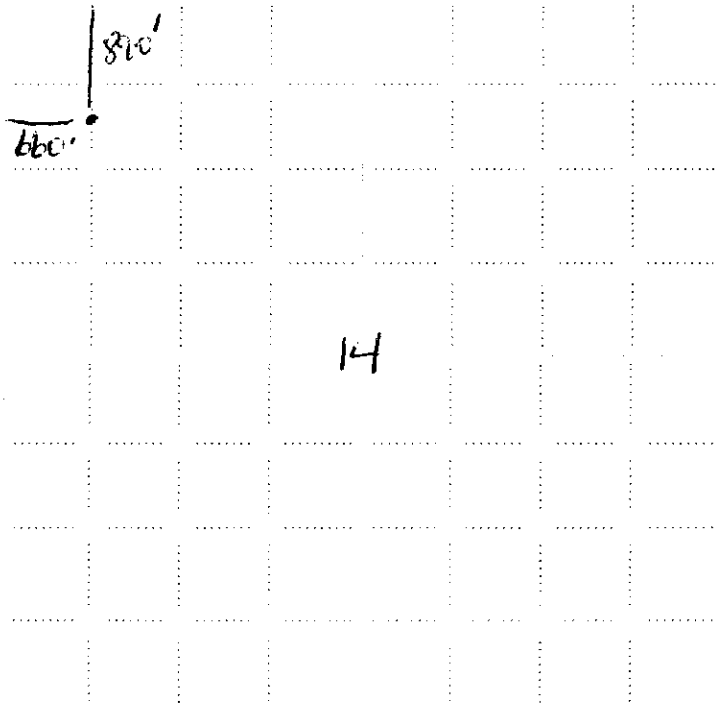
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

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

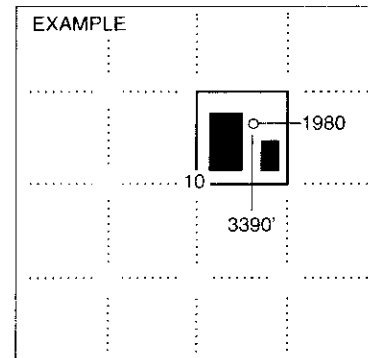
(Show footage to the nearest lease or unit boundary line.)



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WICHITA, KS



SEWARD CO.

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


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 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
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Blue Steel Investments, LLC		License Number: 34009
Operator Address: 1900 S.E. 15th, Bldg. 600E		Edmond OK 73013
Contact Person: Rodney Babb		Phone Number: 405-340-1187
Lease Name & Well No.: Blue Steel Hamant SWD		Pit Location (QQQQ): S/2 NW NW
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 4,000 (bbbls)	Sec. 14 Twp. 26 R. 2 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 890 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 660 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Sedgwick County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
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? BENTONITE GEL IN DRILLING MUD
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit		
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 2626 feet Depth of water well 95 feet	Depth to shallowest fresh water 18 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Bentonite gel Number of working pits to be utilized: 3 Abandonment procedure: Allow pits to dry and backfill as condition allow. 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.		RECEIVED KANSAS CORPORATION COMMISSION JAN 29 2008 CONSERVATION DIVISION WICHITA, KS
Date: 1-28-2008		Signature of Applicant or Agent: 
KCC OFFICE USE ONLY		
Date Received: 1/29/08 Permit Number: _____		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>
Permit Date: 1/29/08 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-173-00993-0000



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

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 357-6211 • <http://kcc.ks.gov/>