

OWWD

JAN 31 2008

For KCC Use:
Effective Date: 2-6-08
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 must be Typed
Form must be Signed
All blanks must be Filled

CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date: February 15, 2008
month day year

OPERATOR: License# 31154
Name: George Rice dba Rice Production Company
Address 1: 1219 Random Road
Address 2: _____
City: Holsington State: Ks. Zip: 67544
Contact Person: George Rice
Phone: 620-653-4979
CONTRACTOR: License# 33843
Name: Terra Drilling, LLC

Spot Description: SW 1/4 Sec 15, Twp. 17N, R. 13W
c s/2 - nw - sw Sec. 15 Twp. 17 S. R. 13 E W
(0000) 3,630 feet from N / S Line of Section
660 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: Oltmann Well #: 8
Field Name: trapp

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): arbuckle

Nearest Lease or unit boundary line (in footage): 660
Ground Surface Elevation: 1910 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: 360'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 459'

Length of Conductor Pipe (if any): none
Projected Total Depth: 3430

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: _____

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

If OWWO: old well information as follows:
Operator: George Rice dba Rice Production Co.
Well Name: Oltmann #8
Original Completion Date: 07-03-07 Original Total Depth: 3417

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

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 correct to the best of my knowledge and belief.

Date: 01-29-08 Signature of Operator or Agent: [Signature] Title: Operator

For KCC Use ONLY
API # 15 - 009-25070-00-01
Conductor pipe required None feet
Minimum surface pipe required 459 feet per ALT. I II
Approved by: [Signature] 2-1-08
This authorization expires: 2-1-09
(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: _____

15
17
13
 E
 W

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 - ~~00025-70000~~ 009-25070-00-01
 Operator: George Rice dba Rice Production Company
 Lease: Oltmann
 Well Number: 8
 Field: Trapp

Location of Well: County: Barton
3,630 feet from N / S Line of Section
660 feet from E / W Line of Section
 Sec. 15 Twp. 17 S. R. 13 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: C - s/2 - nw - sw

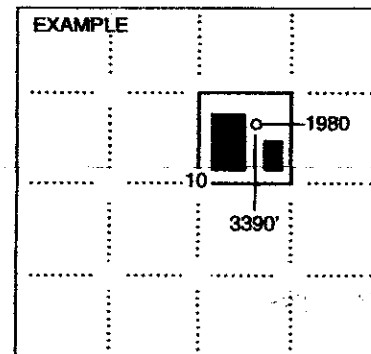
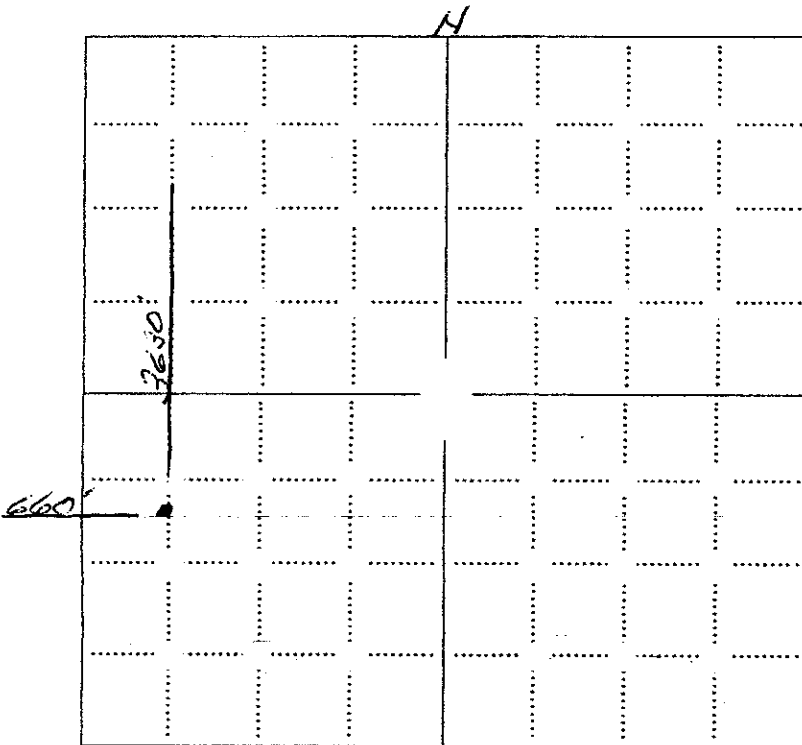
Is Section: Regular or Irregular

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 locator.

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: (CO-7 for oil wells; CG-8 for gas wells).

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 31 2008

Form CDP-1
April 2004
Form must be Typed

CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

Operator Name: George Rice dba Rice Production Company		License Number: 31154
Operator Address: 1219 Random Road		
Contact Person: George Rice		Phone Number: 620-653-4979
Lease Name & Well No.: Oltmann#8		Pit Location (QQQQ): C - s/2 - NW - SW Sec. <u>15</u> Twp. <u>17</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>3,630</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>660</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Barton County
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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>June 20, 2007</u> Pit capacity: <u>500</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>27,000</u> 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? <u>native clays, old drilling mud</u>
Pit dimensions (all but working pits): <u>65</u> Length (feet) <u>65</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>12</u> (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 <u>700'</u> feet Depth of water well <u>120</u> feet		Depth to shallowest fresh water <u>120</u> ⁹⁰ feet Source of information: <u>JR-KGS</u> <input type="checkbox"/> measured <input checked="" 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: <u>drilling mud native solids</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>haul off all free fluids to approved disposal well</u> 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.		
<u>01-29-08</u> Date		<u>[Signature]</u> Signature of Applicant or Agent

15-009-25070-00-01

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/> RFAS <input checked="" type="checkbox"/>
Date Received: <u>1/31/08</u>	Permit Number: _____	Permit Date: <u>1/31/08</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING RECORD
K.A.R. 82-3-117

Form CP-4
December 2003
Type or Print on this Form
Form must be Signed
All blanks must be Filled

Lease Operator: George Rice, dba Rice Production Company
Address: 1219 Random Road, Hoisington, Ks. 67544
Phone: (620) 653-4979 Operator License #: 31154
Type of Well: oil DH KCC per 7/20/07 per CP#13 Docket #: _____
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)
The plugging proposal was approved on: July 3, 2007 (Date)
by: Herb Deines (KCC District Agent's Name)
Is ACO-1 filed? Yes No If not, is well log attached? Yes No
Producing Formation(s): List All (if needed attach another sheet)
Topeka Depth to Top: 2780 Bottom: 3057 T.D. _____
Lansing Kansas City Depth to Top: 3157 Bottom: 3378 T.D. _____
Arbuckle Depth to Top: 3390 Bottom: 3417 T.D. 3417

API Number: 15 - 00925070000
Lease Name: Ottmann
Well Number: 8
Spot Location (3000): C - s/2 - NW - SW
1675' Feet from North / South Section Line
660' Feet from East / West Section Line
Sec. 15 Twp. 1738 S. R. 13 East West
County: Barton
Date Well Completed: July 3, 2007
Plugging Commenced: July 3, 2007
Plugging Completed: July 3, 2007

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

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)				
Formation	Content	From	To	Size	Put In	Pulled Out
Topeka	water/oil	0'	459'	8 5/8"	459'	none
Lansing Kansas city	water/oil					
Arbuckle	water/oil					

Describe in detail the manner in which the well is 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 depth placed from (bottom), to (top) for each plug set.

Run 4 1/2" drill pipe in open hole to 3365', spot 25 sx cement, 60/40 w/ 6% gel. Pull up to 856' and spot 25 sx cement. Pull up to 509' spot 90 sx cement. Pull to 40' spot 10sx cement. Plug rat hole with 15 sx cement and 10 sx cement to mouse hole.

Name of Plugging Contractor: Warren Drilling License #: 33724
Address: 7570 West 21st Street North Bldg #1050 Ste.C, Wichita, Ks. 67205

Name of Party Responsible for Plugging Fees: George Rice dba Rice Production Co.
State of KANSAS County, BARTON, ss.

GEORGE RICE (Employee of Operator) or (Operator) on 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 is as filed, and the same are true and correct, so help me God.

(Signature) George Rice
(Address) _____

SUBSCRIBED and SWORN TO before me this 17 day of July, 2007

NOTARY PUBLIC - State of Kansas
JULIE A. HEIN
My Appt. Exp. 2.6.2008

Julie A. Hein My Commission Expires: 2.6.2008
Notary Public

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67204 KANSAS CORPORATION COMMISSION

RECEIVED
JUL 18 2007
CONSERVATION DIVISION
WICHITA, KS



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

January 31, 2008

George Rice
Rice Production Company
1219 Random Road
Hoisington KS 67544

Re: Drilling Pit Application
Oltmann Lease Well No. 8
SW/4 15-17S-13W
Barton County, Kansas

Dear Mr. Rice:

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.

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: <http://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 undersigned at the above address.

Sincerely,

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Herb Deines
File