

OWWO

For KCC Use: Effective Date: 2-13-08 District #: 2 SGA?  Yes  No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: February 15 2008

Spot: SW - NW - NW Sec. 34 Twp. 20s R. 10 East  West  990 feet from  N /  S Line of Section 330 feet from  E /  W Line of Section

OPERATOR: License# 5210 Name: Lebsack Oil Production, Inc. Address: P.O. Box 489 City/State/Zip: Hays, KS 67601 Contact Person: Wayne Lebsack Phone: 620-938-2396

Is SECTION  Regular  Irregular? (Note: Locate well on the Section Plat on reverse side) County: Rice Lease Name: North River Well #: 2 Field Name: Grove

CONTRACTOR: License# 33369 Name: Xtreme Well Service, Inc.

Is this a Prorated / Spaced Field?  Yes  No Target Formation(s): Lansing Nearest Lease or unit boundary: 330'

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

Ground Surface Elevation: 1718 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: ? 2 Surface Pipe by Alternate:  1  2 Length of Surface Pipe Planned to be set: 290'

If OWWO: old well information as follows: Operator: Schreiner Petroleum Co. Well Name: Grove No. 1 Original Completion Date: 2/3/66 Original Total Depth: 3363 Plugged-1/18/67 Directional, Deviated or Horizontal wellbore?  Yes  No

Length of Conductor Pipe required: - Projected Total Depth: 3100' Formation at Total Depth: Lansing Water Source for Drilling Operations:  Well  Farm Pond  Other Trucked from sand pit pond. DWR Permit #: (Note: Apply for Permit with DWR)

If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

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:

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FEB 07 2008

- 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.

CONSERVATION DIVISION WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief. Date: Feb 2, 08 Signature of Operator or Agent: Wayne Lebsack Title: Pres.

For KCC Use ONLY API # 15 - 159-30263-00-01 Conductor pipe required None feet Minimum surface pipe required 290 feet per Alt. 1 Approved by: 2-809 This authorization expires: 2-809 (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; - 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

34 20 10W

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 - 159-30263-00-01 Location of Well: County: Rice

Operator: Lebsack Oil Production, Inc. 990' feet from  N /  S Line of Section

Lease: North River 330' feet from  E /  W Line of Section

Well Number: 2 Sec. 39 Twp. 20 S R. 10  East  West

Field: Grove

Is Section:  Regular or  Irregular

Number of Acres attributable to well: \_\_\_\_\_

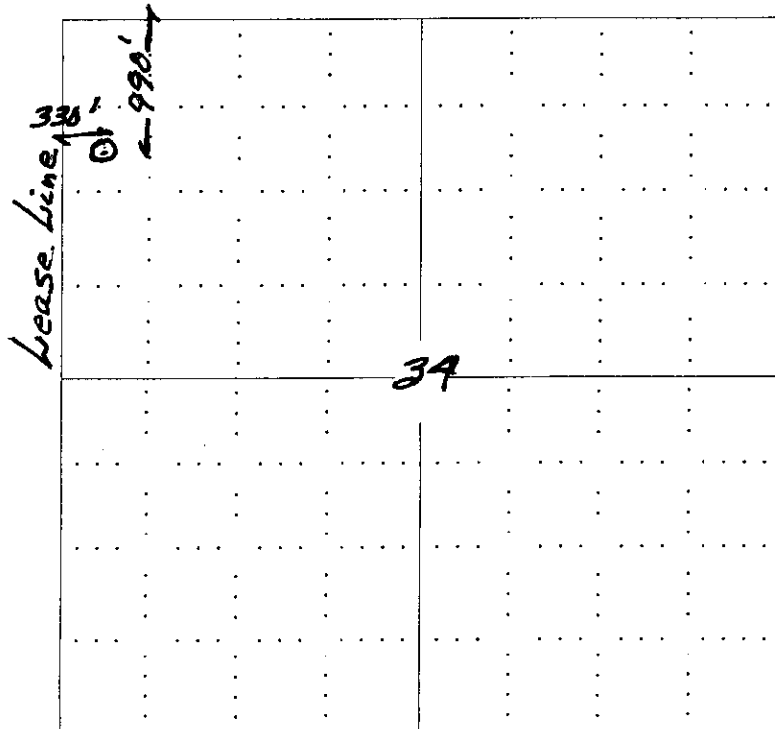
QTR / QTR / QTR of acreage: \_\_\_\_\_

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

Section corner used:  NE  NW  SE  SW

PLAT

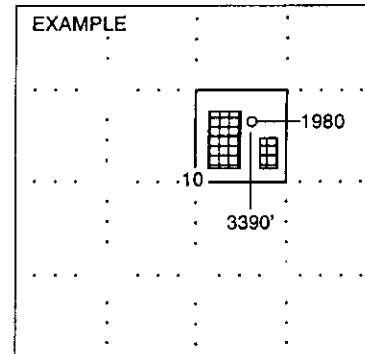
(Show location of the well and shade attributable acreage for prorated or spaced wells.)  
(Show footage to the nearest lease or unit boundary line.)



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WICHITA, KS



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

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: (CO-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: <b>Lebsack Oil Production, Inc.</b>  |   | License Number: <b>5210</b>   |
| Operator Address: <b>P.O. Box 489, Hays, KS 67601</b>   |   |   |
| Contact Person: <b>Wayne Lebsack</b>  |   | Phone Number: <b>( 620 ) 938 - 2396</b>   |
| Lease Name & Well No.: <b>North River No. 2</b>   |   | Pit Location (QQQQ):<br><b>SW - NW - NW -</b><br>Sec. <b>34</b> Twp. <b>20s</b> R. <b>10</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West<br><b>990</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section<br><b>330</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section<br><b>Rice</b> County |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><small>(If W/P Supply API No. or Year Drilled)</small>    | Pit is:<br><input type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed:<br>_____<br>Pit capacity: _____ (bbls) |   |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |   | Chloride concentration: <b>+/- 25,000</b> mg/l<br><small>(For Emergency Pits and Settling Pits only)</small>  |
| Is the bottom below ground level?<br><input type="checkbox"/> Yes <input type="checkbox"/> No   | Artificial Liner?<br><input type="checkbox"/> Yes <input type="checkbox"/> No   | How is the pit lined if a plastic liner is not used?  |
| Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <del>X</del> N/A: Steel Pits<br>Depth from ground level to deepest point: _____ (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<br><b>40</b> feet    Depth of water well <b>36</b> feet   |   | Depth to shallowest fresh water <b>12</b> feet.<br>Source of information:<br>_____ measured _____ well owner _____ electric log _____ KDWR  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No |   | <b>Drilling, Workover and Haul-Off Pits ONLY:</b><br>Type of material utilized in drilling/workover: <b>Bentonite</b><br>Number of working pits to be utilized: <b>2</b><br>Abandonment procedure: <b>Free water will be trucked to SWDW./Mud will be trucked to existing reserve pit.</b><br>Drill pits must be closed within 365 days of spud date. <b>NE/4-28-20s-10w.</b>   |
| I hereby certify that the above statements are true and correct to the best of my knowledge and belief.   |   |   |
| <u>Feb. 2, '08</u><br>Date  | <u>Wayne Lebsack</u><br>Signature of Applicant or Agent   | <b>RECEIVED</b><br>KANSAS CORPORATION COMMISSION<br><b>FEB 07 2008</b>  |
| <b>KCC OFFICE USE ONLY</b>  |   |   |
| Date Received: <u>2/7/08</u> Permit Number: _____   | Permit Date: <u>2/7/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | CONSERVATION DIVISION<br>WICHITA, KS<br><u>steel</u>  |

15159-30263-00-01

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

\* Public water well Sec. 27-20-10w



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

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February 7, 2008

Mr. Wayne Lebsack  
Lebsack Oil Production, Inc.  
PO Box 489  
Hays, KS 67601

RE: Drilling Pit Application  
North River Lease Well No. 2  
NW/4 Sec. 34-20S-10W  
Rice County, Kansas

Dear Mr. Lebsack:

According to the drilling pit application referenced above, no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application. Conservation division forms are available through our office and on the KCC web site: [www.kcc.state.ks.us/conservation/forms](http://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 District Office at (316) 630-4000.

**HAUL-OFF PIT APPLICATION  
FILING REQUIREMENTS**

**82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.**

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
  - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
  - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
    - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
    - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
    - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
    - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
  - (2) a \$2,500 penalty for the second violation; and
  - (3) a \$5,000 penalty and an operator license review for the third violation.

**Complete and return with Haul-Off Pit Application, Form CDP1(2004)**

Haul-off pit will be located in an on-site disposal area: Yes  No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: Yes   
No  If yes, written permission from the landowner must be obtained. Attach written permission to haul-off pit application.

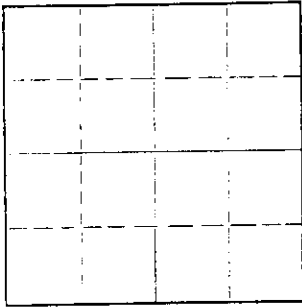
Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: Yes  No  If yes, written permission from the landowner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

15-159-30263-00-00

WELL PLUGGING RECORD

Give All Information Completely  
Make Required Affidavit  
Mail or Deliver Report to:  
Conservation Division  
State Corporation Commission  
212 No. Market  
Wichita, Kansas

NORTH



Locate well correctly on above  
Section Plat

Rice County, Sec. 34 Twp. 20 Rge. 10 (E) (W)  
SW NW NW  
Location as "NE/CNW/SW" or footage from lines  
Schreiner Petroleum Company  
Lease Owner  
Lease Name Groves Well No. 1  
Office Address Wichita, Kansas  
Character of Well (completed as Oil, Gas or Dry Hole)  
Date well completed 19\_\_\_\_  
Application for plugging filed 19\_\_\_\_  
Application for plugging approved 19\_\_\_\_  
Plugging commenced 1/10/67 19\_\_\_\_  
Plugging completed 1/18/67 19\_\_\_\_  
Reason for abandonment of well or producing formation depleted.  
If a producing well is abandoned, date of last production 19\_\_\_\_  
Was permission obtained from the Conservation Division or its agents before plugging was commenced? yes

Name of Conservation Agent who supervised plugging of this well \_\_\_\_\_  
Producing formation \_\_\_\_\_ Depth to top \_\_\_\_\_ Bottom \_\_\_\_\_ Total Depth of Well 3363 Feet  
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

| FORMATION | CONTENT | FROM | TO | SIZE  | PUT IN | PULLED OUT |
|-----------|---------|------|----|-------|--------|------------|
|           |         |      |    | 8 5/8 | 290    | none       |
|           |         |      |    | 5 1/2 | 3125   | 2421       |
|           |         |      |    |       |        |            |
|           |         |      |    |       |        |            |
|           |         |      |    |       |        |            |
|           |         |      |    |       |        |            |
|           |         |      |    |       |        |            |
|           |         |      |    |       |        |            |
|           |         |      |    |       |        |            |

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 for each plug set.

Raised mast, checked hole to 3100', sanded to 3050' and ran 5 sacks of cement. Cleaned casing, rigged up on 5 1/2" casing, worked pipe to 23" tension at 20 points. Checked hole, shot pipe at 2608 & 2512', parted pipe, pulled 22 joints of 5 1/2" casing. Cleared floor, loaded rack, lowered mast and racked unit. Raised mast, rigged up floor, ran overshot on 22 joints of 5 1/2" casing. Checked hole, had bridge at 1600', could not work pipe loose, pumped two loads of water. Checked hole, had bridge at 1628', spotted 20 barrels of oil. Shot pipe at 2391', pulled 85 joints. Bailed hole to 265', set rock bridge and ran 20 sacks of cement. Mudded hole to 40', rock bridge and ran 10 sacks of cement. Racked unit and tallied pipe.

PLUGGING COMPLETE

JAN 24 1967  
CONSERVATION DIVISION  
WICHITA, KANSAS

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

Name of Plugging Contractor KNIGHT CASING PULLING COMPANY  
Address CHASS, KANSAS

STATE OF KANSAS, COUNTY OF LICE, ss.  
MOML J. KNIGHT (employee of owner) or (owner or operator) of the 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 and that the same are true and correct. So help me God.

(Signature) Moml J. Knight  
CHASS, KANSAS (Address)

SUBSCRIBED AND SWORN TO before me this 20 day of Jan, 1967

My commission expires Oct 22-1970 [Signature] Notary Public.