

For KCC Use:
Effective Date: 2-26-08
District # 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

FEB 21 2008

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

NOTICE OF INTENT TO DRILL

CONSERVATION DIVISION
WICHITA, KS

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

Expected Spud Date: MARCH 1 2008
month day year

OPERATOR: License# 6039 ✓
Name: L. D. DRILLING, INC.
Address 1: 7 SW 26 AVE
Address 2:
City: GREAT BEND State: KS Zip: 67530 +
Contact Person: L.D. DAVIS
Phone: 620-793-3051
CONTRACTOR: License# PETROMARK DRILLING, LLC ✓
Name: 33323

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:
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 Description:
C S/2 N/2 NE/4 Sec. 12 Twp. 20 S. R. 12 E W
(0/0/0/0) 990 feet from N / S Line of Section
1,320 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: CHISHOLM Well #: 1
Field Name: Chase-Silica
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): ARBUCKLE
Nearest Lease or unit boundary line (in footage): 990'
Ground Surface Elevation: apx 1790' 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: 105
Depth to bottom of usable water: 230
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 326'
Length of Conductor Pipe (if any): NONE
Projected Total Depth: 3400'
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 correct to the best of my knowledge and belief.

Date: FEBRUARY 20, 2008 Signature of Operator or Agent: Bessie Dewarff Title: SEC/TREAS

For KCC Use ONLY
API # 15: 009-25170-0000
Conductor pipe required: None feet
Minimum surface pipe required: 250 feet per ALT. I II
Approved by: KW 2-21-08
This authorization expires: 2-21-09
(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:

12
20
12
m
w

FEB 21 2008

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

CONSERVATION DIVISION
WICHITA, KS

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 - 009-25170-0000
Operator: L. D. DRILLING, INC.
Lease: CHISHOLM
Well Number: 1
Field: _____

Location of Well: County: BARTON
_____ feet from N / S Line of Section
1,320 feet from E / W Line of Section
Sec. 12 Twp. 20 S. R. 12 E W

Number of Acres attributable to well: 10
QTR/QTR/QTR/QTR of acreage: C - S/2 - N/2 - NE/4

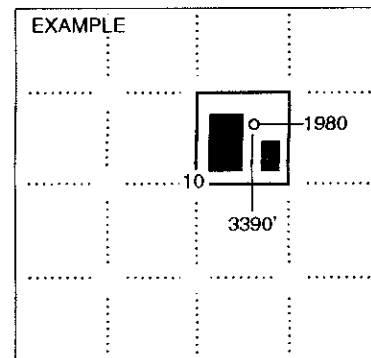
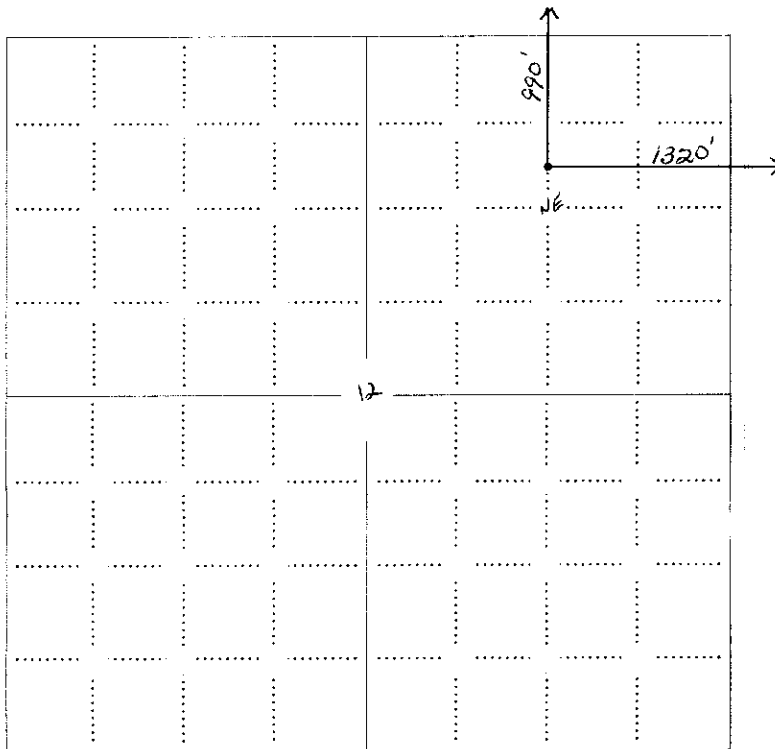
Is Section: Regular or Irregular

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.)



SEWARD CO.

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 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).



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

February 21, 2008

Mr. L.D. Davis
L.D. Drilling, Inc.
7 SW 26 Ave
Great Bend, KS 67530

RE: Drilling Pit Application
Chisholm Lease Well No. 1
NE/4 Sec. 12-20S-12W
Barton County, Kansas

Dear Mr. Davis:

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 **if sand is encountered during the construction of the reserve pit or working pits line the pits with clay and contact the District Office at (785) 625-0550**. The 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, 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
Environmental Protection and Remediation Department

cc: H Deines