

Conductor Pipe Required

For KCC Use: Effective Date: 4-8-08 District # SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 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: 4-1-08 month day year

OPERATOR: License# 33979 Name: Clipper Energy, LLC Address 1: 3838 Oak Lawn #1310 Address 2: City: Dallas State: TX Zip: 75219 Contact Person: Bill Robinson Phone: 214-220-1080

CONTRACTOR: License# 33724 Name: Warren Drilling, LLC

Spot Description: 0014-cw14-co/4-no/4 se sw se ne Sec. 7 Twp. 8 S. R. 20 2,550 feet from N / S Line of Section 700 feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Rooks Lease Name: Bobeck Well #: 1 Field Name: wc

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

Nearest Lease or unit boundary line (in footage): 700

Ground Surface Elevation: 1947 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: 150

Depth to bottom of usable water: 800

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe (if any): min. 13 3/8" e 80' (uncons + 20')

Projected Total Depth: 3700

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Well Farm Pond Other: truck

DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone:

Well Drilled For: Oil Gas Seismic; # of Holes Other: Enh Rec Storage Disposal 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 #:

Oil & Gas Lease submitted (1/2 SE Sec 6 & E/2 Sec. 7)

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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- 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;
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.

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

Date: 3-8-08 Signature of Operator or Agent: B. W. D. Title: geologist

For KCC Use ONLY API # 15 - 163-23713-0000 Conductor pipe required 13 3/8" e 80' Minimum surface pipe required NA feet per ALT. Approved by: BWA 4-3-08 This authorization expires: 4-3-09 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.

Well Not Drilled - Permit Expired Date: Signature of Operator or Agent:

7 8 20

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 - 103-23713-0000
 Operator: Clipper Energy, LLC
 Lease: Bobeck
 Well Number: 1
 Field: wc
 Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: se - sw - se - ne

Location of Well: County: Rooks
 2,550 feet from N / S Line of Section
 700 feet from E / W Line of Section
 Sec. 7 Twp. 8 S. R. 20 E W

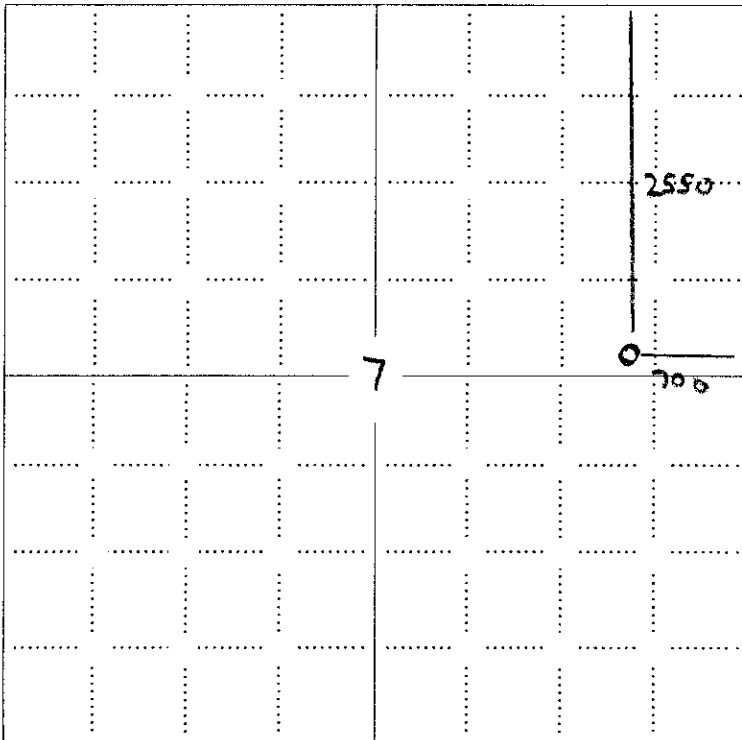
Is Section: Regular or Irregular

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

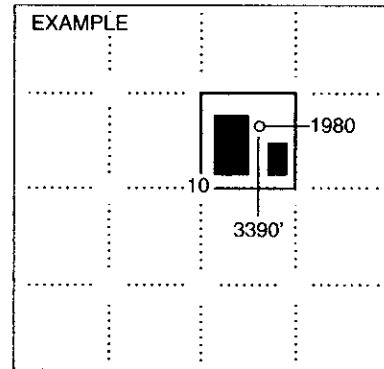
Section corner used: NE NW SE SW

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.)*



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



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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).

15-103-23713-0000



Fall & Associates
Stake and Elevation Service
719 W. 5th Street
P.O. Box 404
Concordia, KS. 66901
1-800-536-2821

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Date 3-4-08

Invoice Number 0227081A

CLIPPER ENERGY

Operator

1

Number

Bobeck

Farm Name

Rooks-KS

County-State

7

S

8s

T

20w

R

2550' FNL 700' FEL

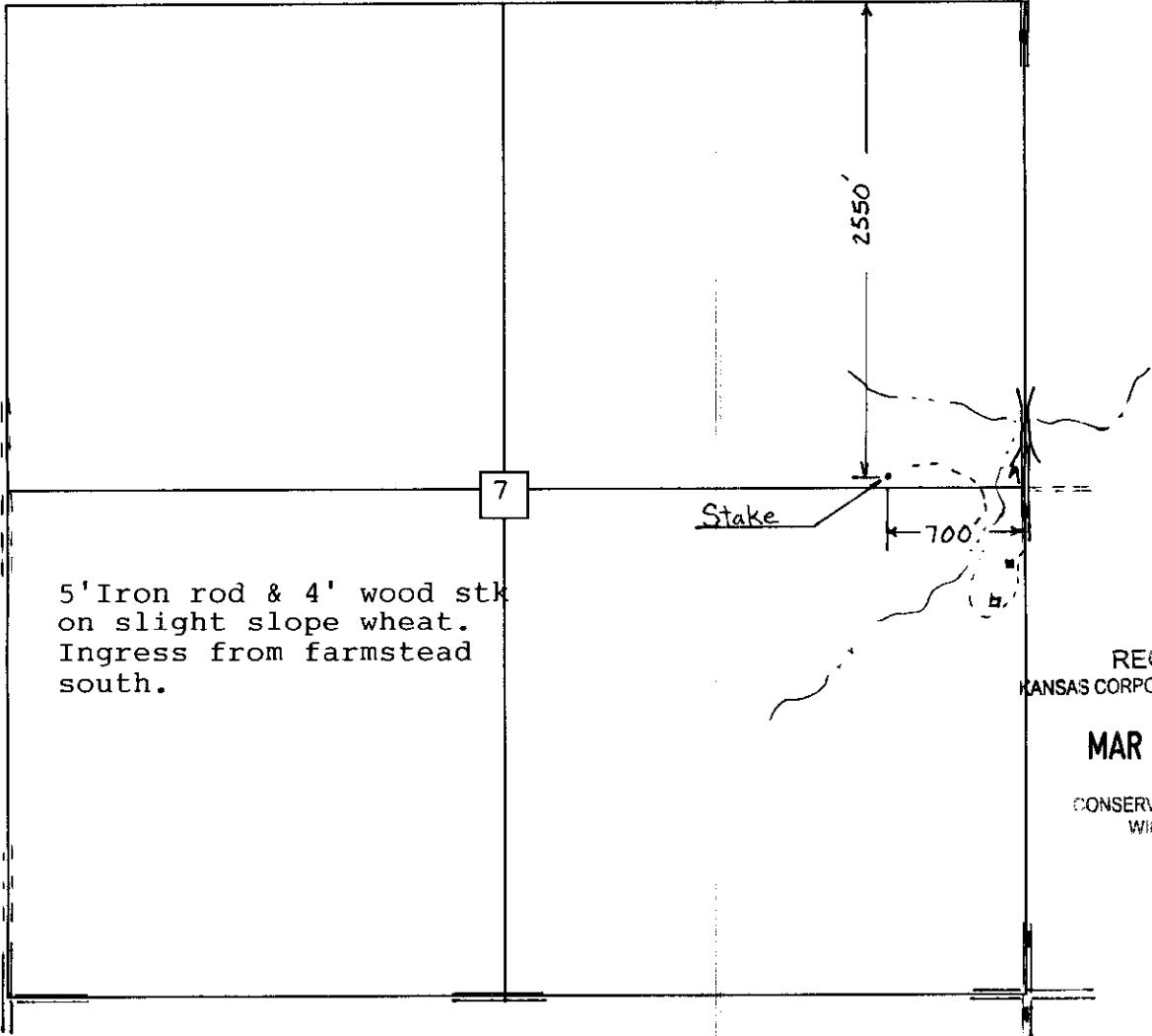
Location

Clipper Energy
Two Turtle Creek
3838 Oak Lawn Suite 1310
Dallas, TX 75219

Elevation 1947 Gr.

Ordered By: Bill

Scale 1"=1000'



5' Iron rod & 4' wood stk
on slight slope wheat.
Ingress from farmstead
south.

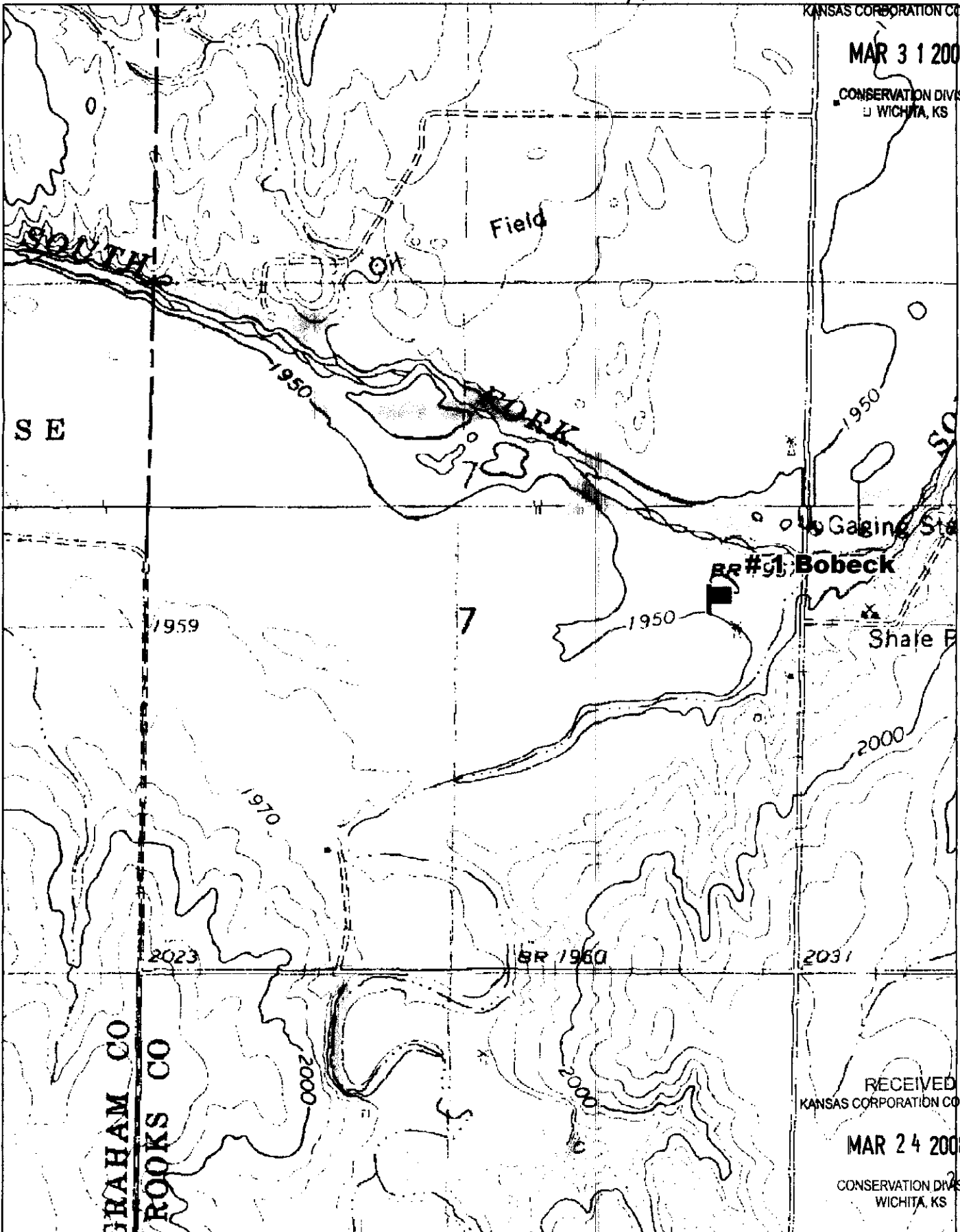
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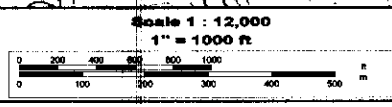
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Minimum Surface Casing Requirements

Minimum surface casing requirements for protecting fresh and usable water and to meet alternate #1 on Intent to Drill cards, Form C-1
S=Section, T=Township, R=Range

Rooks County

In T.6S, T.9S and T.10S, cement surface pipe through the Dakota formation plus 20 feet into the underlying formation except where local areas of usable water occur in the Cheyenne sandstone, in which case, protection must be extended 20 feet into the Permian.

The following options are open:

- (a) cement surface pipe through the Dakota plus 20 feet into the underlying formation or
- (b) cement surface pipe through all fresh water and/or unconsolidated material plus 20 feet below the base of the Dakota to the surface.

If (b) is used and the hole is dry, refer to K.A.R. 82-3-114. In all cases, a minimum of 50 feet of surface pipe is required.

* In T.7S and T.8S, protection shall be as outlined above except in the following areas:

- Township 7 South, R.17W, below surface elevation 1860 feet
- Townships 7 and 8 South, R.18W, below surface elevation 1880 feet
- Townships 7 and 8 South, R.19W, below surface elevation 1920 feet
- Townships 7 and 8 South, R.20W, below surface elevation 1960 feet

Within these areas, large surface pipe or 8 5/8 inch surface pipe systems may be used. If the large surface pipe is used, surface pipe of at least 13 3/8 inches in diameter shall be cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation with a minimum of 40 feet being used. Then the following options are open:

- * (a) set intermediate pipe to the Stone Corral (Anhydrite) and cement from the Stone Corral to surface or
- (b) cement the production string from the Anhydrite to surface immediately after it has been set.

If (b) is used and the hole is dry, plug per K.A.R. 82-3-114.

If 8 5/8 inch surface pipe is used, it will be set and cemented through all unconsolidated material plus a minimum of 20 feet into the underlying formation. A blowout preventor will be installed and maintained on the surface pipe until pipe is set or the hole plugged. If serious flow problems occur, the hole will be plugged per K.A.R. 82-3-114.

If the hole is completed and production pipe installed, cement the production string from the Stone Corral Anhydrite to surface immediately after it has been set. If the hole is dry, plug the hole per K.A.R. 82-3-114.

If Alternate II is used in the above described special area, follow the procedure outlined in K.A.R. 82-3-106. The option for 120 days to complete cementing is not available and the operator shall cement production casing from Stone Corral (Anhydrite) to surface immediately.

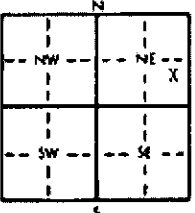


Scan of WWC5 Form

WATER WELL RECORD Form WWC-5 KSA 82a-1212

1) LOCATION OF WATER WELL: ROCKS Fraction NE 1/4 SE 1/4 NE 1/4 Section Number 7 Township Number T 8 S Range Number R 20 E
 County: ROCKS
 Distance and direction from nearest town or city street address of well if located within city?
1.3 miles south of US 24 on Danar Road -4 miles north of Damar (R018)

2) WATER WELL OWNER: Kansas Dept. of Agriculture, Div. of Water Resources
RR# 1, St. Address, Box # : 109 SW 9th St.
 City, State, ZIP Code: Topeka, KS
 Board of Agriculture, Division of Water Resources
 Application Number:

3) LOCATE WELL'S LOCATION WITHIN AN "X" IN SECTION BOX:

 4) DEPTH OF COMPLETED WELL: 58.5 R. ELEVATION:
 Depth(s) Groundwater Encountered: 1.14, 5 ft. 2. ft. 3. ft.
 WELL'S STATIC WATER LEVEL: 14.5 ft. below land surface measured on mo/day/yr: 7/16/02
 Pump test data: Well water was ft. after hours pumping gpm
 Est Yield gpm; Well water was ft. after hours pumping gpm
 Bore Hole Diameter: 3.5 in. to 5.8 in. ft. and in. to ft.
 WELL WATER TO BE USED AS:
 1 Domestic 3 Feedlot 6 Oil field water supply 8 Air conditioning 11 Injection well
 2 Irrigation 4 Industrial 7 Lawn and garden only 9 Dewatering 12 Other (Specify below)
10 Monitoring well
 Was a chemical/bacteriological sample submitted to Department? Yes No X If yes, mo/day/yr: sample was sub-
 mitted Water Well Disinfected? Yes No X

5) TYPE OF BLANK CASING USED:
 1 Steel 3 RMP (SR) 5 Wrought iron 8 Concrete tile CASING JOINTS: Glued Clamped
2 PVC 4 ABS 6 Asbestos-Cement 9 Other (specify below) Welded
 7 Fiberglass Threaded
 Blank casing diameter: 2 in. to 5.3 ft. Dia. in. to ft. Dia. in. to ft.
 Casing height above land surface: 21.5 in. weight: 4.0 lb./ft. Wall thickness or gauge No.
 TYPE OF SCREEN OR PERFORATION MATERIAL:
 1 Steel 3 Stainless steel 5 Fiberglass 8 RMP (SR) 10 Asbestos-cement
 2 Brass 4 Galvanized steel 6 Concrete tile 9 ABS 11 Other (specify)
 12 None used (open hole)
 SCREEN OR PERFORATION OPENINGS ARE:
 1 Continuous slot 5 Gauzed wrapped 8 Saw cut 11 None (open hole)
 2 Louvered shutter 4 Key punched 6 Wire wrapped 9 Drilled holes
 7 Torch cut 10 Other (specify)
 SCREEN-PERFORATED INTERVALS: From 5.3 ft. to 5.8 ft. From ft. to ft.
 From ft. to ft. From ft. to ft.
 GRAVEL PACK INTERVALS: From ft. to ft. From ft. to ft.
 From formation collapse ft. From ft. to ft.

6) GROUT MATERIAL: 1 Neat cement 2 Cement grout 3 Bentonite 4 Other
 Grout Interval: From 0 ft. to 16 ft. From ft. to ft.
 What is the nearest source of possible contamination:
 1 Septic tank 4 Lateral lines 7 Pit privy 10 Livestock pens 14 Abandoned water well
 2 Sewer lines 5 Cess pool 8 Sewage lagoon 11 Fuel storage 15 Oil well/Gas well
 3 Watertight sewer lines 6 Seepage pit 9 Feedyard 12 Fertilizer storage 16 Other (specify below)
 13 Insecticide storage mindmill well
 Direction from well? west How many feet? 200+

FROM	TO	LITHOLOGIC LOG	FROM	TO	PLUGGING INTERVALS
0	6	bedrock			
6	15	interbedded silt and sand			
15	23	sand			
23	32	interbedded clay and silt			
32	36	sand			
36.5	40	clay			
40	47	sand			
47	52	interbedded clay and silt			
52	59	sand			
59		bedrock			
log based on direct-push EC data					

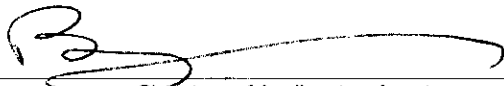
7) CONTRACTOR'S OR LANDOWNER'S CERTIFICATION: This water well was (1) constructed, (2) reconstructed, or (3) plugged under my jurisdiction and was completed on (mo/day/year) 7/16/02 and this record is true to the best of my knowledge and belief. Kansas Water Well Contractor's License No. This Water Well Record was completed on (mo/day/yr) 12/31/02 under the business name of KS Geological Survey by (signature) [Signature]
 INSTRUCTIONS: Use typewriter or ball point pen. PLEASE PRINT FULLY and PRINT clearly. Please fill in blanks, underline or circle the correct answers. Send top three copies to Kansas Department of Health and Environment, Bureau of Water, Topeka, Kansas 66680-0001. Telephone: 913-735-2545. Send one to WATER WELL OWNER and retain one for your records.

Kansas Geological Survey
 Comments to webadmin@kgs.ku.edu
 URL=http://www.kgs.ku.edu/Magellan/WaterWell/index.html

**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: Clipper Energy, LLC		License Number: 33979	
Operator Address: 3838 Oak Lawn #1310		Dallas TX 75219	
Contact Person: Bill Robinson		Phone Number: 214-220-1080	
Lease Name & Well No.: Bobeck 1		Pit Location (QQQQ): se sw se ne Sec. <u>7</u> Twp. <u>8</u> R. <u>20</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2,550</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>700</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Rocks _____ 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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input checked="" 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): <u>100</u> Length (feet) <u>80</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>5</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.	
		RECEIVED KANSAS CORPORATION COMMISSION MAR 31 2008 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit <u>342</u> feet Depth of water well <u>22</u> feet		Depth to shallowest fresh water <u>8</u> <u>150</u> feet. Source of information: <input checked="" 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: <u>chemical mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>backfill after evaporation</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.		RECEIVED KANSAS CORPORATION COMMISSION MAR 24 2008 CONSERVATION DIVISION WICHITA, KS	
_____ 3-5-08 Date		 Signature of Applicant or Agent	

15-102-23713-000

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input checked="" type="checkbox"/>
Date Received: <u>3/24/08</u>	Permit Number: _____	Permit Date: <u>3/31/08</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



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

March 31, 2008

Mr. Bill Robinson
Clipper Energy, LLC
3838 Oak Lawn #1310
Dallas, TX 75219

RE: Drilling Pit Application
Bobeck Lease Well No. 1
NE/4 Sec. 07-08S-20W
Rooks County, Kansas

Dear Mr. Robinson:

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.

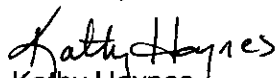
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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: 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