

For KCC Use: 4-19-08
 Effective Date: _____
 District #: 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

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 KANSAS CORPORATION COMMISSION

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

MAR 06 2008

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencement of work.

LEGAL SECTION

Expected Spud Date: March 11 2008
 month day year

OPERATOR: License# 4699 ✓
 Name: Phillips Oil Properties, Inc.
 Address 1: 1822 S. Mead
 Address 2: _____
 City: Wichita State: KS Zip: 67211 + _____
 Contact Person: Troy A. Phillips
 Phone: 316-265-7779
 CONTRACTOR: License# 31539 ✓
 Name: SAM'S Well Service

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Storage	<input type="checkbox"/> Other	
<input type="checkbox"/> Disposal		
<input type="checkbox"/> Seismic ; _____ # of Holes		
<input type="checkbox"/> Other: _____		

If OWWO: old well information as follows:
 Operator: K.T. Weidemann Trust ✓
 Well Name: #2 Mitschler
 Original Completion Date: 7-21-54 Original Total Depth: 3287, DD 3334

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 *KCC DKT #: 08-cons-127-cwle

Spot Description: _____
SW - SE - SE - SE Sec. 9 Twp. 32 S. R. 4 E W
 (a/a/a) 150 _____ feet from N / S Line of Section
 600 _____ feet from E / W Line of Section

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

County: Cowley
 Lease Name: Richardson Well #: 9-1
 Field Name: State

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

Nearest Lease or unit boundary line (in footage): 150
 Ground Surface Elevation: 1175 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: 200 / 100
 Depth to bottom of usable water: 200 / 107

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 127' of 10" set originally

Length of Conductor Pipe (if any): N/A
 Projected Total Depth: 3334

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: _____

* Surface casing exception granted.

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: March 1, 2008 Signature of Operator or Agent: [Signature] Title: Geologist

For KCC Use ONLY
 API # 15 - 035-19332-00-01
 Conductor pipe required None feet
 Minimum surface pipe required 127 feet per ALT. I II
 Approved by: [Signature] 4-14-08
 This authorization expires: 4-14-09
 (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: _____

9
32
4
 E
 W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

MAR 06 2008

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

LEGAL SECTION

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 - 035-19332-00-01
Operator: Phillips Oil Properties, Inc.
Lease: Richardson
Well Number: 9-1
Field: State

Location of Well: County: Cowley
150 feet from N / S Line of Section
600 feet from E / W Line of Section
Sec. 9 Twp. 32 S. R. 4 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: SW - SW - SE - SE

Is Section: Regular or Irregular

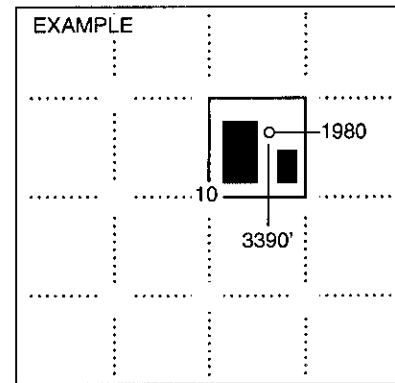
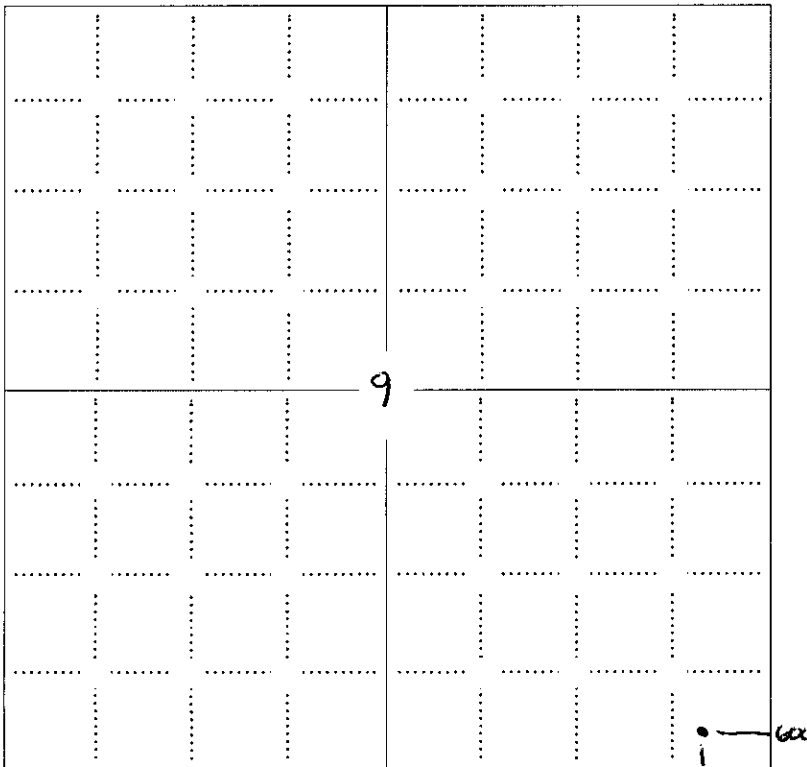
If Section is Irregular, locate well from nearest corner boundary.

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. 150

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

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Form CDP-1

April 2004

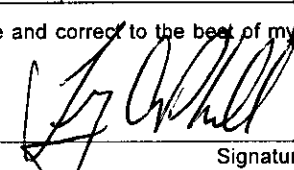
Form must be Typed

APPLICATION FOR SURFACE PIT

MAR 06 2008

LEGAL SECTION

Submit in Duplicate

Operator Name: Phillips Oil Properties, Inc.		License Number: 4699	
Operator Address: 1822 S. Mead		Wichita KS 67211	
Contact Person: Troy A. Phillips		Phone Number: 316-265-7779	
Lease Name & Well No.: Richardson 9-1		Pit Location (QQQQ): SE SE SE SW	
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: 200 (bbls)	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? Drilling Fluids			
Pit dimensions (all but working pits): <u>10</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>3</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>4171</u> feet Depth of water well <u>16</u> feet		Depth to shallowest fresh water <u>7</u> 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ 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>3-5-08</u> Date		 Signature of Applicant or Agent	

15-035-19332-00-01

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>3/6/08</u>	Permit Number: _____	Permit Date: <u>3/14/08</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	



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

March 14, 2008

Mr. Troy A. Phillips
Phillips Oil Properties, Inc.
1822 S Mead
Wichita, KS 67211

Re: Drilling Pit Application
Richardson Lease Well No. 9-1
SE/4 Sec. 09-32S-04E
Cowley County, Kansas

Dear Mr. Phillips:

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 within 72 hours of drilling completion.

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 (316) 630-4000 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
Environmental Protection and Remediation Department

cc: File



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

April 14, 2008

Phillips Oil Properties, Inc.
1822 S. Mead
Wichita, KS 67211

RE: Richardson 9-1 OWWO SW SE SE Sec. 9-T32S-R4E, Cowley County, Kansas

Dear Mr. Phillips:

The Kansas Corporation Commission (KCC) has received your request, dated April 4, 2008, for an exception to Table 1 surface pipe requirements for the above-referenced well, which was plugged as the Mitschler #2 in 1968. From your request, the KCC understands that Phillips Oil Properties, Inc. desires to re-enter this well, which has surface pipe set at 127 feet. The Table 1 minimum surface pipe requirement setting depth for wells drilled in Range 4 East of Cowley County is 200 feet. The surface pipe set in this previously plugged well does not meet the present surface pipe setting depth requirements.

After review of this matter by technical staff it was determined that:

1. Bedrock at this location is the Permian Chase Group at or near surface.
2. The depth of the deepest water well of record within a one mile radius is 60 feet.
3. The existing 127 feet of surface casing adequately protects fresh and usable ground water.

Based on this information, an exception is granted for the Table 1 Minimum Surface Casing Requirements with the following stipulation:

1. In the event the well is dry and no additional production pipe has been cemented in-place, plugging will be performed according to KCC rules per KCC District #2 requirements.

Very Sincerely Yours,

Doug Louis
Director

cc: Steve Bond - Production ✓SB
Jeff Klock - Dist #2 ✓via e-mail

PHILLIPS OIL PROPERTIES, INC.
 1822 S. Mead, Wichita, KS 67211, 316.265.7779, 316.265.1942 FAX

April 4, 2008

Kansas Corporation Commission
 Conservation Division
 Finney State Office Building
 130 S. Market, Room 2078
 Wichita, KS 67202

Attn: Mr. Rick Hesterman


Re: Richardson #9-1 OWWO
 9-32S-4E
 Cowley Co., KS

Rick,

This well is an OWWO and has 127' of 10" surface casing set. I am requesting an exception to Table I surface casing requirement of 200 feet for this area. The 2 options for completion requested are to allow the existing 127 feet of 10" as surface casing necessary or complete as Alternate II completion. My preference would be to allow the existing 127 foot of 10" to be sufficient.

Please process or contact me with any questions or concerns.

Respectfully,


 Troy A. Phillips
 Geologist

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 APR 04 2008
 CONSERVATION DIVISION
 WICHITA, KS

STATE OF KANSAS
STATE CORPORATION COMMISSION

Form CP-4

15035-19332-0000

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

WELL PLUGGING RECORD

Cowley County, Sec 9 Twp. 32 Rge. 4 (E) (W)
Location as "NE/CNWKSWX" or footage from lines SW SE SE

Lease Owner K.T. Wiedemann Trust

Lease Name Mitschler Well No. #2

Office Address Box 1276 El Dorado, Kansas

Character of Well (completed as Oil, Gas or Dry Hole) oil well

Date well completed 7-21-54 1954

Application for plugging filed 7-18-68 1968

Application for plugging approved 7-19-68 1968

Plugging commenced 7-23-68 1968

Plugging completed 7-24-68 1968

Reason for abandonment of well or producing formation _____

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 Howard Hess

Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 3333' 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
				10 3/4	127'	none
				5 1/2	3287'	2000'

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.

Set 10' rock bridge from 2320' to 2310' and mix and dump 4 sacks of cement with dump bailer

Set 20' rock bridge from 240' to 220' and dump 4 cubic yards of ready mix concrete to surface.

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AUG 1 1968
CONSERVATION DIVISION
Wichita, Kansas

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

Name of Plugging Contractor Flint Engineering and Const. Co.
Address 2375 W. Central El Dorado, Kansas

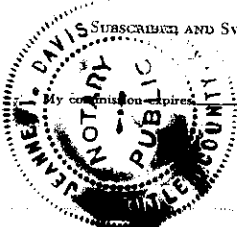
STATE OF Kansas COUNTY OF Butler ss.

(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) _____

(Address) _____

30 day of July 1968



Sept. 19, 1971

Notary Public.