

For KCC Use: 5-7-08  
Effective Date: 1  
District # 1  
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: May 6, 2008  
month day year

OPERATOR: License# 30161  
Name: r.c. Taylor Companies, Inc.  
Address 1: 5661 North Classen Blvd.  
Address 2:  
City: Oklahoma City State: OK Zip: 73118  
Contact Person: Mike Taylor  
Phone: 405-840-2700

CONTRACTOR: License# 5929  
Name: Duke Drilling Company, Inc.

Well Drilled For:  Oil  Gas  Seismic; # of Holes  Other  
 Enh Rec  Storage  Disposal  
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: \_\_\_\_\_  
N2 - NW - NW Sec. 31 Twp. 34 S. R. 30  E  W  
(0000) 335 feet from  N /  S Line of Section  
714 feet from  E /  W Line of Section

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

County: Meade  
Lease Name: Adams Well #: 3-31  
Field Name: Adams Ranch

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

Nearest Lease or unit boundary line (in footage): 335 ft.  
Ground Surface Elevation: 2432.3 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: 300 ft. 580'  
Depth to bottom of usable water: 300 ft. 580'

Surface Pipe by Alternate:  I  II  
Length of Surface Pipe Planned to be set: 1,300 ft.

Length of Conductor Pipe (if any): 40 - 60 ft.  
Projected Total Depth: 4,500 ft.

Formation at Total Depth: Lansing  
Water Source for Drilling Operations:

Well  Farm Pond  Other: \_\_\_\_\_  
DWR Permit #: Applied for 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: 4/23/08 Signature of Operator or Agent: William M. Joyce Title: V.P.

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: \_\_\_\_\_

For KCC Use ONLY  
API # 15 - 119-21209-00-00  
Conductor pipe required None feet  
Minimum surface pipe required 600 feet per ALT:  I  II  
Approved by: SB 5-2-08  
This authorization expires: 5-2-09  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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

RECEIVED

APR 28 2008

KCC WICHITA

31  
34  
30  
 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 - 119-21209-00-00

Operator: r.c. Taylor Companies, Inc.

Lease: Adams

Well Number: 3-31

Field: Adams Ranch

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

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - N2 - NW - NW

Location of Well: County: Meade

335 feet from  N /  S Line of Section

714 feet from  E /  W Line of Section

Sec. 31 Twp. 34 S. R. 30  E  W

Is Section:  Regular or  Irregular

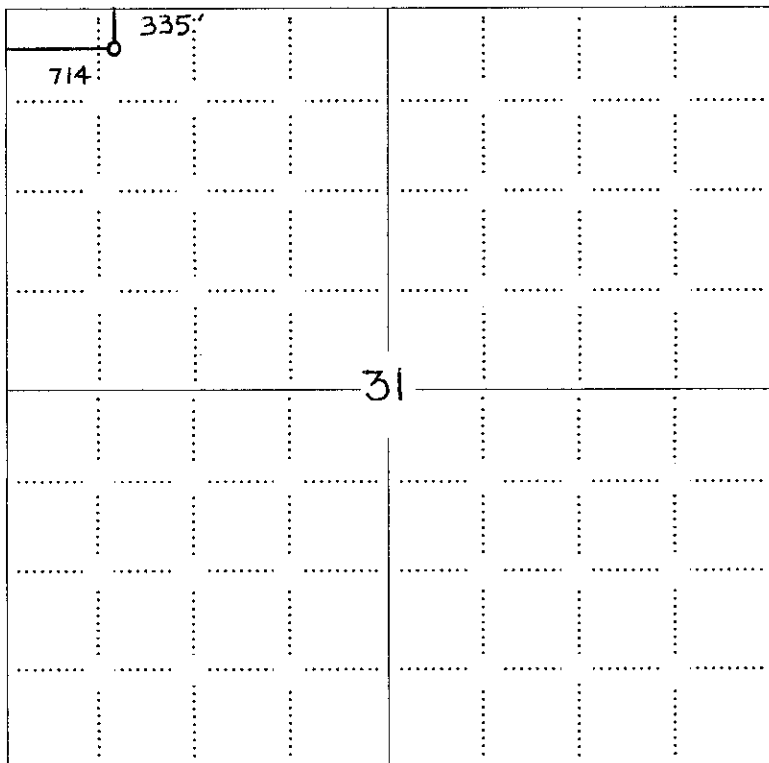
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

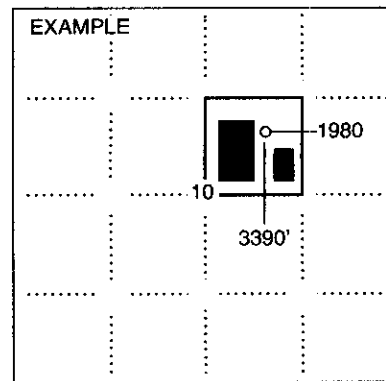
**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

*(Show footage to the nearest lease or unit boundary line.)*



**RECEIVED  
APR 28 2008  
KCC WICHITA**



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).

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

Form GDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>r.c. Taylor Companies, Inc.</b>		License Number: <b>30161</b>
Operator Address: <b>5661 North Classen Blvd.</b>		<b>Oklahoma City Oklahoma OK 73118</b>
Contact Person: <b>Mike Taylor</b>		Phone Number: <b>405-840-2700</b>
Lease Name & Well No.: <b>Adams #3 - 31</b>		Pit Location (QQQQ): <b>N2 NW NW</b>
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 W/P Supply API No. or Year Drilled)</small>	Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec. <b>31</b> Twp. <b>34</b> R. <b>30</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>335</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>714</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Meade</b> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: <b>3,500</b> mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <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) <input checked="" type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>0</b> (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 <b>1613</b> feet    Depth of water well <b>400</b> feet		Depth to shallowest fresh water <b>152</b> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Fresh Drilling Mud</b> Number of working pits to be utilized: <b>2</b> Abandonment procedure: <b>Haul off contents</b> 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.		
<b>4/28/08</b> Date	 Signature of Applicant or Agent	

15-119-21209-00-00

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <b>5/1/08</b>	Permit Number: _____	Permit Date: <b>5/1/08</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" 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

May 1, 2008

Mr. Mike Taylor  
R.C. Taylor Companies, Inc.  
5661 North Classen Blvd.  
Oklahoma City, OK 73118

Re: Drilling Pit Application  
Adams Lease Well No. 3-31  
NW/4 Sec. 31-34S-30W  
Meade County, Kansas

Dear Mr. Taylor:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources. District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used.

This office has received the haul-off pit application located in SW/4 Sec. 30-34S-30W, Meade County, Kansas. District staff has determined that the pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **contact the district office after the pit has been dug**. The free fluids must be removed. The fluids are to be removed from the haul-off pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the haul-off pit has occurred. The fluids should be removed again as soon as practical after haul-off operations have ceased.

**NO completion fluids or non-exempt wastes shall be placed in the haul-off pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when 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](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 undersigned at the above address.

Sincerely,

Kathy Haynes  
Environmental Protection and Remediation Department

cc: district

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802  
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>