

OWWO

For KCC Use: 5-11-08
Effective Date: 5-11-08
District # 4
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: 5 15 08
month day year

OPERATOR: License# 32287 ✓
Name: Lost Creek Oil
Address 1: 1225 14 Road
Address 2:
City: Stockton State: KS Zip: 67669 +
Contact Person: Carl Hance
Phone: 785-425-7252 Cell 785-432-1048
CONTRACTOR: License# 32810
Name: Professional Pulling Service

Spot Description:
NE - SE - Sec. 14 Twp. 8 S. R. 19 E W
(00/00) 1,980 feet from N / S Line of Section
660 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: Hance Well #: 1
Field Name: Hance

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

Nearest Lease or unit boundary line (in footage): 660
Ground Surface Elevation: 2004 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: 220-150
Depth to bottom of usable water: 220-260

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 220 - already set

Length of Conductor Pipe (if any): 0
Projected Total Depth: 3520
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
 Well Farm Pond Other: Produced water

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:
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows:
Operator: Morris Veverka Oil
Well Name: Hance B
Original Completion Date: 10-6-02 Original Total Depth: 3520

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

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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MAY 05 2008

CONSERVATION DIVISION

- 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 WICHITA, KS 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: 5-1-08 Signature of Operator or Agent: Carl Hance Title: President

For KCC Use ONLY
API # 15 - 163-01039-00-01
Conductor pipe required None feet
Minimum surface pipe required 220 feet per ALT. I II
Approved by: [Signature] 5-6-08
This authorization expires: 5-6-09
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: Agent:

Remember to:
- File Drill Pit Application (form GDP-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:

14
8
19
m
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 - 163-01039-00-D1
 Operator: Lost Creek Oil
 Lease: Hance
 Well Number: 1
 Field: Hance

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

Location of Well: County: Rooks
 _____ feet from N / S Line of Section
1,980 feet from E / W Line of Section
660
 Sec. 14 Twp. 8 S. R. 19 E W

Is Section: Regular or Irregular

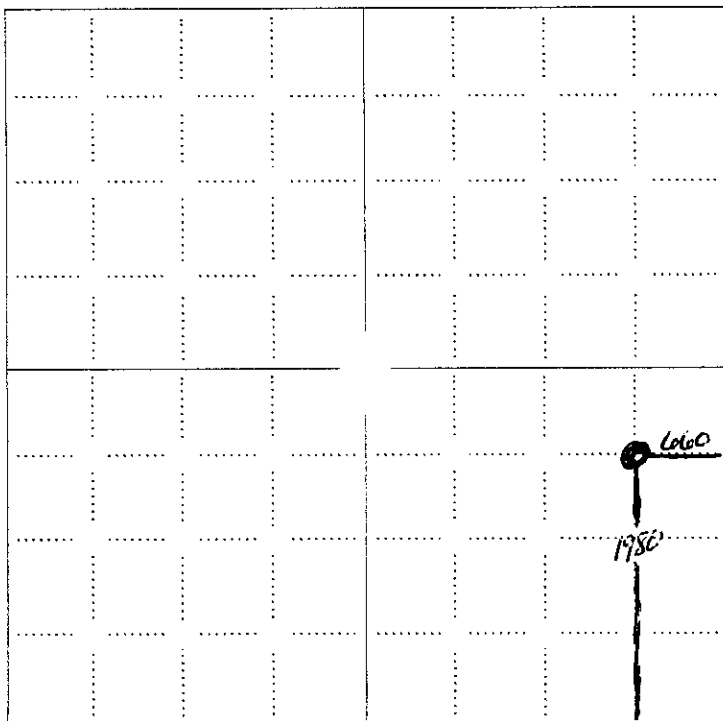
If Section is Irregular, locate well from nearest corner boundary.

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.)

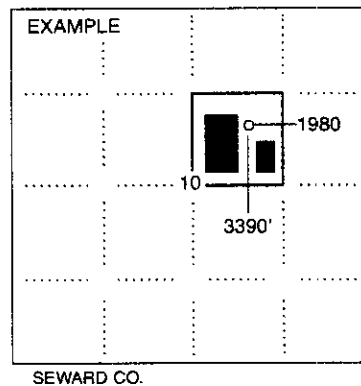


NOTE: In all cases locate the spot of the proposed drilling location.

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 WICHITA, KS



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

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Lost Creek Oil		License Number: 32287	
Operator Address: 1225 14 Road		Stockton KS 67669	
Contact Person: Carl Hance		Phone Number: 785-425-7252 Cell 785-432-1048	
Lease Name & Well No.: Hance 1		Pit Location (QQQQ): NE SE	
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 (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 250 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? N/A			
Pit dimensions (all but working pits): 15 Length (feet) 6 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 6 (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 Unknown feet Depth of water well _____ feet		Depth to shallowest fresh water _____ 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: Produced water Number of working pits to be utilized: 2 Abandonment procedure: will remove free fluid, allow to dry, and backfill 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	
Date: 5-1-08		Signature of Applicant or Agent: Carl Hance	
		MAY 05 2008 CONSERVATION DIVISION WICHITA, KS	
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: 5/5/08 Permit Number: _____ Permit Date: 5/5/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-103-01039-02-01

4-042029

TO: STATE CORPORATION COMMISSION
CONSERVATION DIVISION - PLUGGING
130 SOUTH MARKET, SUITE 2078
WICHITA, KANSAS 67202

API Number: 15-163-01,039-0000

C NE SE / 4 SEC. 14, 08 S, 19 W
1980 feet from S section line
660 feet from E Section line

Operator license# 32287

Operator: Lost Creek Oil

Address: 1225 14 Road
Stockton, Kansas 67669

Lease: Hance "B" Well # 1

County: Rooks

Well total depth 3520 feet
Conductor Pipe: 0 inch @ 0 feet
Surface Pipe: 8 5/8 Inch 220 Feet
W/cwc sxs.cmt.

Aband. oil well , Gas well , Input well , SWD , D & A

Plugging contractor: Allied Cementing

License# -

Address: Russell, Kansas 67665

Company to plug at: Hour: 1:00 P.M. Day: 15 Month: November Year: 1999

Plugging proposal received from: Carl Hance

Company: Lost Creek Oil

Phone: -

Were: Ordered 250 sxs 60/40 pozmix - 10% gel plus 600# hulls.
4 1/2" casing set at 3520' w/150 sxs cement. Perfs at 2936' - 3442'.
Perf anhy at 1460' - Dakota at 850' - T.O.F. at 2000'.

Plugging Proposal Received by: Dennis Hamel

Plugging operations attended by agent? All , Part , None

Completed: Hour: 5:00 P.M., Day 15, Month: November, Year: 1999

Actual plugging report: R.U. Cementers to 8 5/8" S.P. Squeezed annulus with 50 sxs cement with 100# hulls mixed in cement. Max. P.S.I. 800#. R.U. Cementers to 4 1/2" casing - squeezed 200 sxs cement with 500# hulls mixed in cement. Max. P.S.I. 600#. S.I.P. 100#.

Remarks:

Condition of casing(in hole): GOOD BAD Anhy.plug: YES NO
Bottom plug(in place): YES CALC NO Dakota plug: YES NO
Plugged through TUBING CASING Elevation: G.L.

I did / did not observe the plugging.

INVOICED

DATE 12/6/99

INV. NO. 60919

STATE CORPORATION COMMISSION
Form CP-219N

NOV 9 1999

CONSERVATION DIVISION
Wichita, Kansas



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

May 5, 2008

Mr. Carl Hance
Lost Creek Oil
1225 14 Road
Stockton, KS 67669

RE: Drilling Pit Application
Hance Lease Well No. 1
SE/4 Sec. 14-08S-19W
Rooks County, Kansas

Dear Mr. Hance:

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 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
Environmental Protection and Remediation Department

cc: File