

For KCC Use: **5-14-08**
Effective Date: 4
District # 4
SGA? ☒ Yes ☐ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1
September 1999
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date June 3 2008
month day year

OPERATOR: License# 31714
Name: Novy Oil & Gas, Inc
Address: 125 N. Market #1230
City/State/Zip: Wichita, Kansas 67202
Contact Person: Michael E. Novy
Phone: (316) 265-4651

CONTRACTOR: License# 33905
Name: Royal Drilling

Well Drilled For:	Well Class:	Type Equipment:
☐ Oil	☐ Enh Rec	☒ Infield
☐ Gas	☐ Storage	☐ Pool Ext.
☒ OWWO	☒ Disposal	☐ Wildcat
☐ Seismic; # of Holes	☐ Other	☐ Cable
☐ Other		

If OWWO: old well information as follows:

Operator: Sinclair Prairie Oil Co.
Well Name: Minna Isern #5
Original Completion Date: 11/22/36 Original Total Depth: 3375

Directional, Deviated or Horizontal wellbore? ☐ Yes ☒ No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot ☐ East
NW SE SW Sec. 25 Twp. 19 S. R. 11 ☒ West
990 feet from S / N (circle one) Line of Section
1650 feet from E / W (circle one) Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Barton

Lease Name: M Isern Well #: 5

Field Name: Kraft-Prusa Pool

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Granite Wash

Nearest Lease or unit boundary: 990 Feet South

Ground Surface Elevation: EST 1767 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: 90

Depth to bottom of usable water: 230

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 260

Length of Conductor Pipe required: 80

Projected Total Depth: 3800

Formation at Total Depth: Granite wash

Water Source for Drilling Operations:

Well X 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. 55-101, 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. **In all cases, NOTIFY district office** prior to any cementing.

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

Date: 05/06/08 Signature of Operator or Agent Michael E. Novy Title: Vice President

For KCC Use ONLY

API # 15 - 009-14929-00-01
Conductor pipe required 80 feet
Minimum surface pipe required 250 feet per Alt. 1
Approved by: Novy 5-9-08
This authorization expires: 5-9-09
(This authorization void if drilling not started within 12 months of effective 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;
- Obtain written approval before disposing or injecting salt water.

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KANSAS CORPORATION COMMISSION

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

MAY 08 2008

CONSERVATION DIVISION
WICHITA, KS

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW*Plat of acreage attributable to a well in a prorated or spaced field*

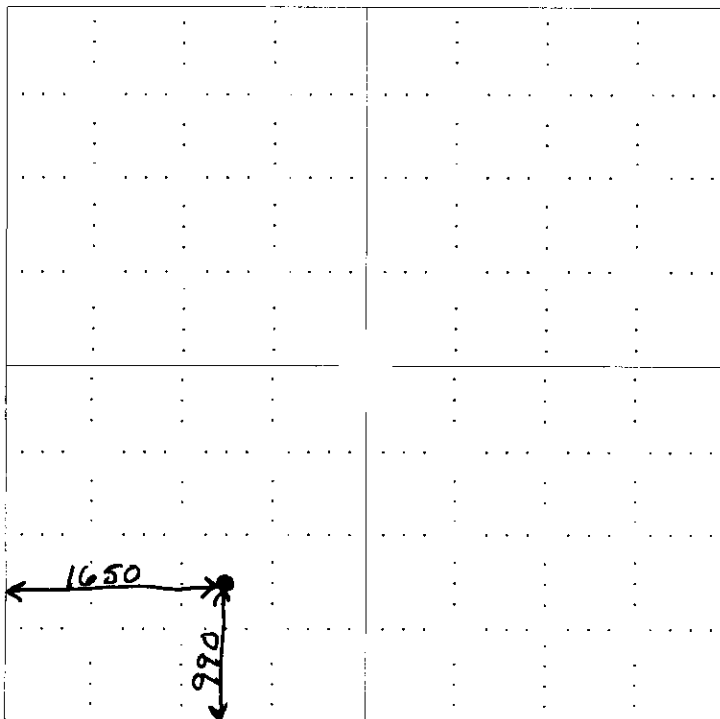
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 009-14929-00-01Operator: Novy Oil & Gas, Inc.Lease: M IsernWell Number: 5Field: Kraft-Prusa

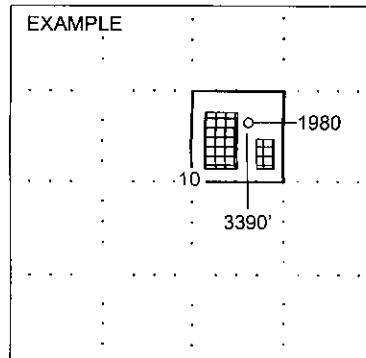
Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: NW - SE - SWLocation of Well: County: Barton990 _____ feet from S / N (circle one) Line of Section1650 _____ feet from E / W (circle one) Line of SectionSec. 25 Twp. 19 S. R. 11 ☐ East ☒ WestIs 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.**RECEIVED
KANSAS CORPORATION COMMISSION

MAY 08 2008

CONSERVATION DIVISION
WICHITA, KS

SEWARD CO.

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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).

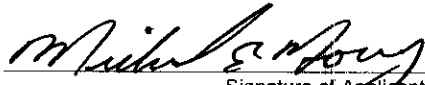
MAY 08 2008

CONSERVATION DIVISION
WICHITA, KS

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: Novy Oil & Gas, Inc.		License Number: 31714	
Operator Address: 125 N. Market #1230 Wichita, Kansas 67202			
Contact Person: Michael Novy		Phone Number: (316) 265 - 4651	
Lease Name & Well No.: M Isern #5		Pit Location (QQQQ): NW SE SW Sec. 25 Twp. 19S R. 11 ☐ East ☒ West 990 Feet from ☐ North / ☒ South Line of Section 1650 Feet from ☐ East / ☒ West Line of Section Barton County	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: Pit capacity: 500 (bbls)		
Is the pit located in a Sensitive Ground Water Area? ☒ Yes ☐ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (feet)			
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. Remove all free water after drilling through Hutchinson Salt also as soon as drilling is completed	
Distance to nearest water well within one-mile of pit 1320 feet Depth of water well 46 feet		Depth to shallowest fresh water 10 feet. ☒ Source of information: _____ measured _____ well owner _____ electric log ☒ 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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: fresh water mud gel Number of working pits to be utilized: 4 Abandonment procedure: As soon as dry push closed 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. Date 05/06/08  Signature of Applicant or Agent			
KCC OFFICE USE ONLY			
Date Received: 5/8/08 Permit Number: _____ Permit Date: 5/9/08 Lease Inspection: ☒ Yes ☐ No			

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

15-009-14989-00-01

15-009-14929-00-00

Strike out upper line
when reporting plug-
ging off formations.

LUGGING
FILE: SEC 25-2 RLL



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

May 9, 2008

Mr. Michael E. Novy
Novy Oil & Gas, Inc.
125 N. Market Ste 1230
Wichita, KS 67202

RE: Drilling Pit Application
M Isern Lease Well No. 5
SW/4 Sec. 25-19S-11W
Barton County, Kansas

Dear Mr. Novy:

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

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.