

For KCC Use:
Effective Date: 5-2008
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: May month 2008 year

OPERATOR: License# 9292
Name: Scheck Oil Operations, Inc.
Address 1: 225 North Main St.
Address 2:
City: Russell State: KS Zip: 67665
Contact Person: Tim Scheck
Phone: 785-483-1292

CONTRACTOR: License# 33724
Name: Warren Drilling

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:
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: 2310 FNL & 1755 FNL
SW SE NW Sec. 23 Twp. 10 S. R. 15 E W
2310 feet from N / S Line of Section
1755 feet from E / W Line of Section
Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Osborne
Lease Name: Ruggels Well #: A-9
Field Name: Ruggels

Is this a Prorated / Spaced Field? Yes No
Nearest Lease or unit boundary line (in footage): 1525
Ground Surface Elevation: 1870 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: 180'
Depth to bottom of usable water: 580'
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 240'
Length of Conductor Pipe (if any): None
Projected Total Depth: 3550 ft.
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:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 ct. 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: May 12, 2008 Signature of Operator or Agent: Smithy F. Scheck Title: President

For KCC Use ONLY
API # 15 - 141-20389-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. I II
Approved by: Tim Scheck
This authorization expires: 5-15-09
(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:

RECEIVED
KANSAS CORPORATION COMMISSION
MAY 14 2008
CONSERVATION DIVISION
WICHITA, KS

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

23-10-15

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 - 141-20389-0000
 Operator: Scheck Oil Operations, Inc.
 Lease: Ruggels A
 Well Number: A-9
 Field: Ruggels

Location of Well: County: Osborne
2310 feet from N / S Line of Section
1755 feet from E / W Line of Section
 Sec. 23 Twp. 10 S. R. 15 E W

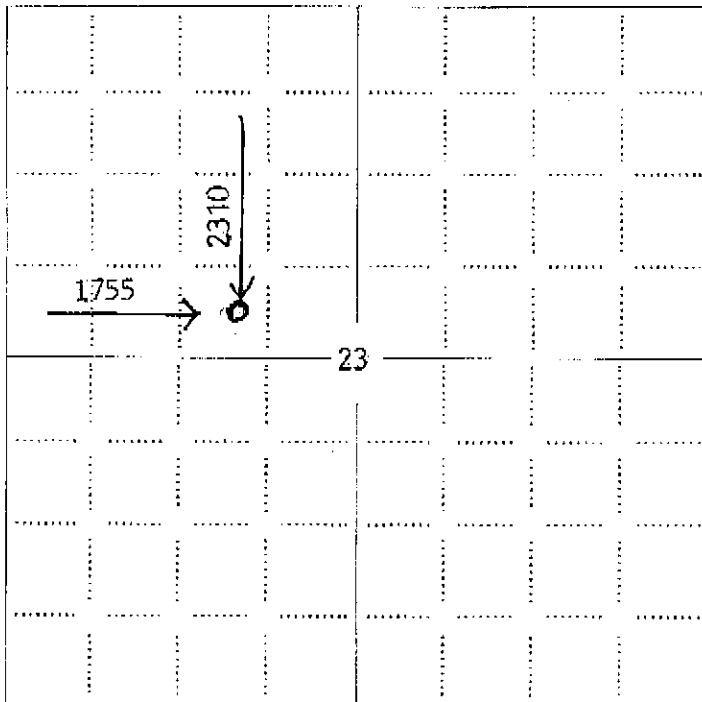
Number of Acres attributable to well: 10
 QTR/QTR/QTR/QTR of acreage: SW SE NW

Is Section: Regular or Irregular

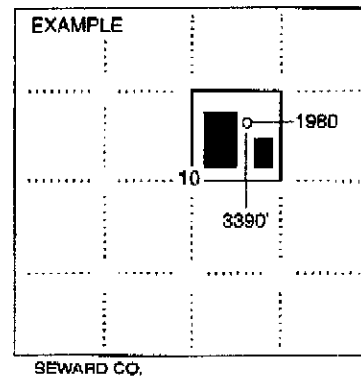
If Section is irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



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 MAY 14 2008
 CONSERVATION DIVISION
 WICHITA, KS



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 CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: SCHECK OIL OPERATIONS, INC.		License Number: 9292	
Operator Address: 225 North Main		Russell, Kansas 67665	
Contact Person: Tim Scheck		Phone Number: 785-483-3404	
Lease Name & Well No.: Ruggels A-9		Pit Location (QQQQ): SW SE NW	
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 checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 5,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>	
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? Bentonite Drilling Mud			
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (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 3600 feet Depth of water well 31 feet		Depth to shallowest fresh water 10 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" 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: Bentonite, Chemical Mud Number of working pits to be utilized: 3 Abandonment procedure: Pits to dry & Backfill Drill pits must be closed within 365 days of apud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		RECEIVED KANSAS CORPORATION COMMISSION MAY 14 2008 CONSERVATION DIVISION WICHITA, KS	
Date: 5-13-08		Signature of Applicant or Agent: <i>Timothy F. Scheck</i>	
KCC OFFICE USE ONLY			
Date Received: 5/14/08 Permit Number: _____		Permit Date: 5/14/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/> Beat			

15741-20389-0000

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 14, 2008

Mr. Tim Scheck
Scheck Oil Operations, Inc.
225 N. Main
Russell, KS 67665

RE: Drilling Pit Application
Ruggels A Lease Well No. 9
NW/4 Sec. 23-10S-15W
Osborne County, Kansas

Dear Mr. Scheck:

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