For KCC Use: 7-/3-08 Effective Date: 7-/3-08 District # 3

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

expected Spud Date: 7/11/08	Spot Description: se row ne ne	
month day year	se - mw - ne - ne Sec. 8 Twp. 29 S. R. 14 XE	lw
33522	(Q/Q/Q/Q) 440 feet from N / S Line of Sec	-
PERAIOH: License#	880 feet from X E / W Line of Sect	
COLID.	Is SECTION: Regular Irregular?	
Address 1: Po box 6174	is SECTION. Minegular:	
oldress 2:	(Note: Locate well on the Section Plat on reverse side)	
	County: Wilson	
000 075 0045 040 040 0700 540 474 4040	Lease Name: Devins Well #: 8-9	
hone: 325-675-0515 915-260-6763 512-474-4646	Field Name: Fradonia field	
ONTRACTOR: License#5831	Is this a Prorated / Spaced Field?	No
larne: MoKat Drilling	Target Formation(s): _new albany	
Matt Dulbad Form Matt Classes Time Configurate	Nearest Lease or unit boundary line (in footage): 440'	
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation:feet M	SL
Oil Enh Rec Infletd Mud Rotary	Water well within one-quarter mile:	
Gas Storage Pool Ext. Air Rotary		
Disposal Wildcat Cable	Public water supply well within one mile: Yes X	IAO
Seismic ; # of Holes Other	Depth to bottom of fresh water: 20-/@±	
Other: reentry	Depth to bottom of usable water:	
——————————————————————————————————————	Surface Pipe by Alternate:	
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 20 40 Minimum	
Operator:	Length of Conductor Pipe (if any): none	
Well Name:	Projected Total Depth: 650'	
Original Completion Date: Original Total Depth:	Formation at Total Depth:new albany	
Original Completion Date Crightal Total Depth.	Water Source for Drilling Operations:	
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other: hauled in	
f Yes, true vertical depth:	DWR Permit #:	
Bottom Hole Location:	(Note: Apply for Permit with DWR	
(CC DKT #:	Will Cores be taken?	No
		
	If Yes, proposed zone:	_
AFE	If Yes, proposed zone:	
	If Yes, proposed zone: RECEIVEL KANSAS CORPORATION O	 o
he undersigned hereby affirms that the drilling, completion and eventual plug	If Yes, proposed zone: RECEIVEL KANSAS CORPORATION O	 o
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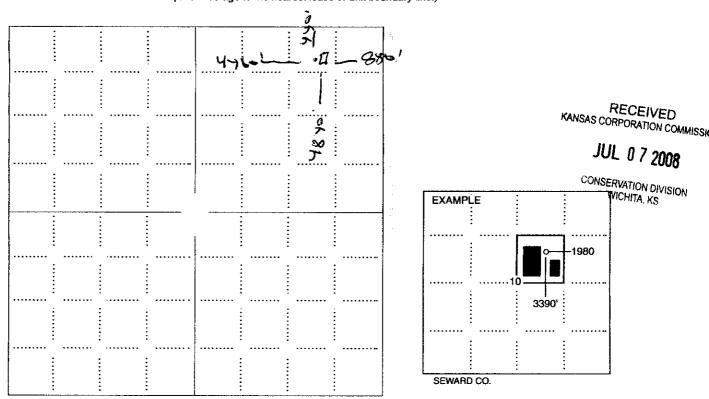
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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 - 205-27590-0000	
Operator: Bill Gallagher Enterprises LLC	Location of Well: County: Wilson
Lease: Devins	440 feet from N / S Line of Section
Well Number: 8-9	880 feet from X E / W Line of Section
Field: Fredonia field	Sec. 8 Twp. 29 S. R. 14 🔀 E 🗌 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage: _ se _ nw _ ne _ ne	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 locaton.

In plotting the proposed location of the well, you must show:

- 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).
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 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: Bill Gallagher Enterprises LLC		License Number: 33522				
Operator Address: Po box 6174		Abilene Tx 79801				
Contact Person: dick clardy far	ry alex	chris james	Phone Number: 325-875-0515 913-796-6763 512-474-4848			
Lease Name & Well No.: Devins 8-9		Pit Location (QQQQ):				
Type of Pit: Emergency Pit Burn Pit Settling Pit Drilling Pit Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water Is the bottom below ground level? Yes No Pit dimensions (all but working pits): Depth fr	Pit is: Proposed If Existing, date completed in the compaction of the compact o	Existing onstructed: (bbls) No No eepest point: Describe proce	Sec. 8 Twp. 29 R. 14 East West 440 Feet from North / South Line of Section 880 Feet from East / West Line of Section Wilson County Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used? Width (feet) N/A: Steel Pits 6 (feet) No Pit			
Distance to nearest water well within one-mile of pit Depth to shall Source of info						
NA feet Depth of water wellfeet			measured well owner electric log KDWR			
			villing, Workover and Haul-Off Pits ONLY: ype of material utilized in drilling/workover: water and cuttings			
		of working pits to be utilized:1				
		procedure: drain and fill with original dirt				
Door the clave from the teat better allow all smilled fluids to		be closed within 365 days of spud date. RECEIVED KANSAS CORPORATION COMM				
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. JUL 0.7 2008						
7/04/08 Date CONSERVATION DIVISIO WICHITA, KS						
KCC OFFICE USE ONLY Steel Pit RFAC RFAS						
Date Received: 7/7/08 Permit Num	ber:	Permi	t Date: 7/7 (08 Lease Inspection: Yes No			



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

July 7, 2008

Dick Clardy Bill Gallagher Enterprises LLC PO Box 6174 Abilene, TX 79801

RE:

Drilling Pit Application Devins Lease Well No. 8-9 NE/4 Sec. 08-29S-14E Wilson County, Kansas

Dear Mr. Clardy:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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 (620) 432-2300 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