

For KCC Use: 7-20-08
Effective Date: _____
District # _____
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: 8 month 01 day 2008 year

OPERATOR: License# 4997
Name: Ross Hoener
Address 1: 7024 NE 10th Ave.
Address 2: 70424
City: luka State: Ks Zip: 67066 + 9516
Contact Person: Ross Hoener
Phone: 620-546-3295

CONTRACTOR: License# 33793
Name: H2 Drilling LLC

Well Drilled For: Oil Gas Seismic 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: _____
NW - NE - SE Sec. 26 Twp. 26 S. R. 13 E W
(or/or) 2,150 feet from N / S Line of Section
910 feet from E / W Line of Section

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

County: Pratt
Lease Name: Tidewater Gobin Well #: 3
Field Name: luka Carmi

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle
Nearest Lease or unit boundary line (in footage): 910
Ground Surface Elevation: 1925 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: 250 240
Depth to bottom of usable water: 400 240

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 450
Length of Conductor Pipe (if any): NA

Projected Total Depth: 4500
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Well Farm Pond Other: _____

DWR Permit #: _____
(Note: Apply for Permit with DWB)

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: 7-10-08 Signature of Operator or Agent: X Ross L. Hoener Title: Operator

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 14 2008

CONSERVATION DIVISION
WICHITA, KS

For KCC Use ONLY
API # 15 - 151-22310-0000
Conductor pipe required None feet
Minimum surface pipe required 260 feet per ALT. I II
Approved by: KWH 7-15-08
This authorization expires: 7-15-09
(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: _____

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

26
26
13
 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 - 151-22310-0000
 Operator: Ross Hoener
 Lease: Tidewater Gobin
 Well Number: 3
 Field: Iuka Carmi

Location of Well: County: Pratt
 2,150 feet from N / S Line of Section
 910 feet from E / W Line of Section
 Sec. 26 Twp. 26 S. R. 13 E W

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

Is Section: Regular or Irregular

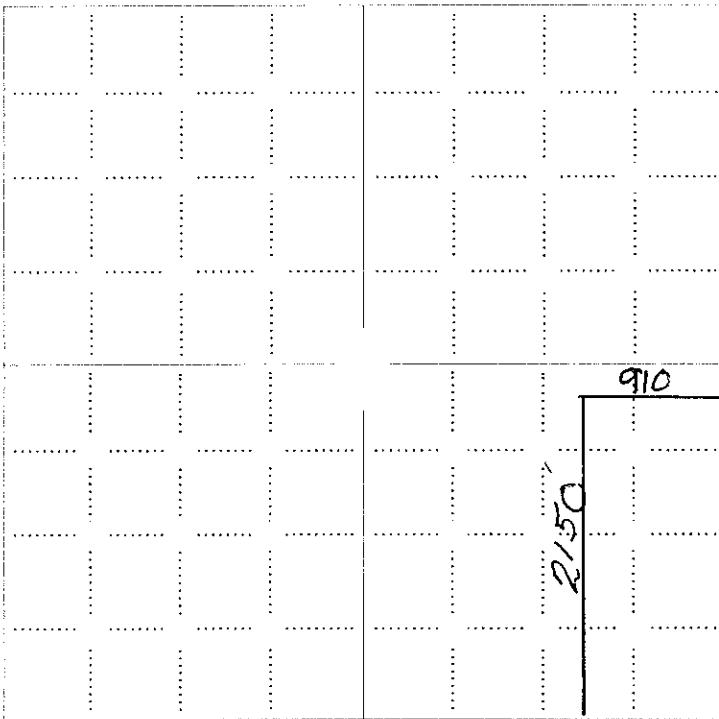
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

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

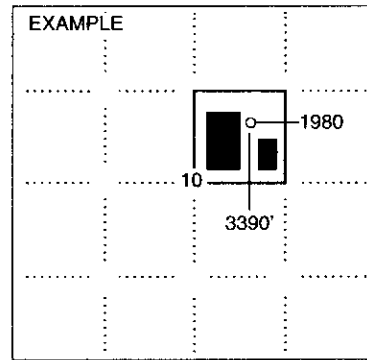
(Show footage to the nearest lease or unit boundary line.)



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JUL 14 2008

CONSERVATION DIVISION
 WASHINGTON, MO



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 CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Ross Hoener		License Number: 4997	
Operator Address: 7024 NE 10th Ave.		luka Ks 67066	
Contact Person: Ross Hoener		Phone Number: 620-546-3295	
Lease Name & Well No.: Tidewater Gobin 3		Pit Location (QQQQ): <u> </u> NW <u> </u> NE <u> </u> SE Sec. <u>26</u> Twp. <u>26</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2,150</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>910</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Pratt County	
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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 4,000 (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 <i>(For Emergency Pits and Settling Pits only)</i>	
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? Native Soil Reserve Pit	
Pit dimensions (all but working pits): <u>75</u> Length (feet) <u>75</u> Width (feet) <input checked="" type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: <u>6</u> (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. Monitor fluid loss on a continual basis.	
Distance to nearest water well within one-mile of pit <u>1145</u> feet Depth of water well <u>135</u> feet 1500 feet 150 feet		Depth to shallowest fresh water <u>45</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" 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: <u>Fresh Drilling Mud</u> Number of working pits to be utilized: <u>0</u> Abandonment procedure: <u>Haul free water from reserve pit, allow to dry and refill with soil.</u> 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 JUL 14 2008 CONSERVATION DIVISION WICHITA, KS	
_____ 7-10-08 Date	 Signature of Applicant or Agent		
KCC OFFICE USE ONLY			
Date Received: <u>7/14/08</u>		Permit Number: _____	
Permit Date: <u>7/15/08</u>		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

15-151-22310-0000

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

July 15, 2008

Ross Hoener
70424 NE 10th Ave
Iuka KS 67066-9516

Re: Drilling Pit Application
Tidewater Gobin Lease Well No. 3
SE/4 26-26S-13W
Pratt County, Kansas

Dear Mr. Hoener:

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 (620) 225-8888 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: <http://kcc.ks.gov/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,

A handwritten signature in cursive script that reads "Jonelle Rains".

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Steve Durrant
File