

OWWO

For KCC Use: 8-508
Effective Date: _____
District #: 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

JUL 15 2008

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

CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date: August 8, 2008
month day year

OPERATOR: License# 6804 ✓
Name: LACHENMAYR OIL, LLC
Address 1: 904 EMMALINE
Address 2: _____
City: Newton State: KS Zip: 67114 + _____
Contact Person: Howard Lachenmayr
Phone: 316-284-7150

CONTRACTOR: License# 33549 ✓
Name: Landmark 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: Derrick-American Oil, Inc.
Well Name: Porter #1
Original Completion Date: 12-5-84 Original Total Depth: 3458'

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

Spot Description: 200' S C NE SW NE
200sc NE SW NE Sec. 12 Twp. 26 S. R. 1 E W
(0/0/0/0) 1.850 feet from N / S Line of Section
1.650 feet from E / W Line of Section

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

County: Sedgwick
Lease Name: Newton Well #: 1
Field Name: Valley Center

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

Nearest Lease or unit boundary line (in footage): 1650'
Ground Surface Elevation: 1339' 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: 100'
Depth to bottom of usable water: 180'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 10 3/4" @ 210'

Length of Conductor Pipe (if any): NA
Projected Total Depth: 3470'

Formation at Total Depth: Simpson Sand
Water Source for Drilling Operations: Well Farm Pond Other: Little Arkansas River

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 et. seq.
It is agreed that the following minimum requirements will be met:

JUL 03 2008

CONSERVATION DIVISION
WICHITA, KS

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: July 2, 2008 Signature of Operator or Agent: Howard Lachenmayr Title: Operator

For KCC Use ONLY
API # 15 - 173-20684-00-01
Conductor pipe required None feet
Minimum surface pipe required 210 feet per ALT. I II
Approved by: Rum 7-31-08
This authorization expires: 7-31-09
(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: _____

12
26
1

E

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 - 173-20684-00-01
 Operator: LACHENMAYR OIL, LLC
 Lease: Newton
 Well Number: 1
 Field: Valley Center

Location of Well: County: Sedgwick
 1,850 feet from N / S Line of Section
 1,650 feet from E / W Line of Section
 Sec. 12 Twp. 26 S. R. 1 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: 200sc - NE - SW - NE

Is Section: Regular or Irregular

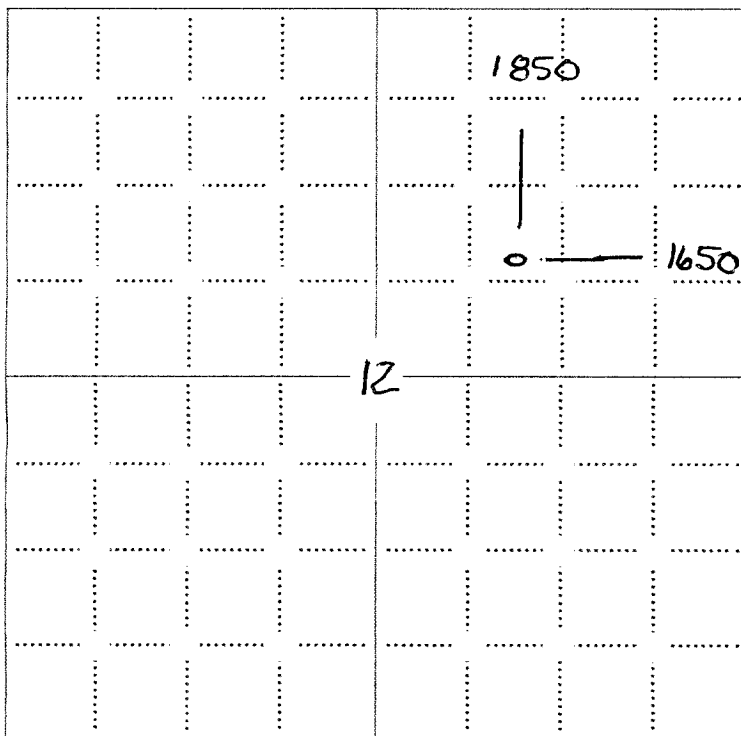
If Section is Irregular, locate well from nearest corner boundary.

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.)



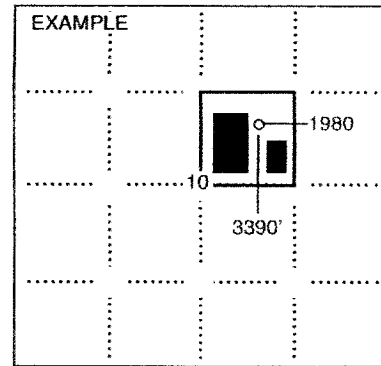
RECEIVED
 KANSAS CORPORATION COMMISSION

JUL 15 2008

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 KANSAS CORPORATION COMMISSION
 CONSERVATION DIVISION
 WICHITA, KS

JUL 03 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: LACHENMAYR OIL, LLC | | License Number: 6804 |
| Operator Address: 904 EMMALINE AVE. | | |
| Contact Person: HOWARD LACHENMAYR | | Phone Number: 316-282-0400 |
| Lease Name & Well No.: NEWTON #1 | | Pit Location (QQQQ): 200SC NE SW NE |
| 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> 1984 | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 120 (bbls) | Sec. 12 Twp. 26 R. 1 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,850 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,650 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section SEDGWICK County |
| 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? NATIVE CLAY |
| Pit dimensions (all but working pits): 8 Length (feet) 20 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (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. |
| | | RECEIVED KANSAS CORPORATION COMMISSION JUL 15 2008 CONSERVATION DIVISION WICHITA, KS |
| Distance to nearest water well within one-mile of pit 1500 feet 1079 Depth of water well 14 feet 35 feet | | Depth to shallowest fresh water 17 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: FRESH WATER Number of working pits to be utilized: 2 Abandonment procedure: REMOVE FLUIDS 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. | | |
| _____ 7/16/08 Date | _____ <i>Howard Lachenmayr</i> Signature of Applicant or Agent | |

15-173-20684-00-01

| | | | | | |
|-------------------------------|----------------------|------------------------------------|---|-------------------------------|--------------------------------|
| KCC OFFICE USE ONLY | | Steel Pit <input type="checkbox"/> | RFAC <input type="checkbox"/> | RFAS <input type="checkbox"/> | Liner <input type="checkbox"/> |
| Date Received: 7/15/08 | Permit Number: _____ | Permit Date: 7/30/08 | Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |

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

API NUMBER 15-173-20,684-00-00

LEASE NAME Porter

WELL NUMBER 1
5' and 50'S of

SPOT LOCATION NE SW NE

SEC. 12 TWP. 26 RGE. 1 (E) or (W)

COUNTY Sedgwick

Date Well Completed 12-6-84

Plugging Commenced 12-6-84

Plugging Completed 12-6-84

TYPE OR PRINT
 NOTICE: Fill out completely
 and return to Cons. Div.
 office within 30 days.

LEASE OPERATOR Derrick-American Oil, Inc.

ADDRESS 225 North Market, Suite 330 Wichita, KS 67202

PHONE # (316) 262-0506 OPERATORS LICENSE NO. 5504

Character of Well D&A
 (Oil, Gas, D&A, SWD, Input, Water Supply Well)

Did you notify the KCC/KDHE Joint District Office prior to plugging this well? yes

Which KCC/KDHE Joint Office did you notify? Wichita, Ks.
 to be filed by

Is ACO-1 filed? operator If not, is well log attached? no tops

Producing formation _____ Depth to top _____ bottom _____ T.D. 3455'

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

| Formation | Content | From | To | Size | Put in | Pulled out |
|-----------|---------|------|----|------|--------|------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used state, the character of same and depth placed, from feet to feet each set.

Bottom Plug: @ 3400' w/40 sacks cement thru drill pipe

Next Plug: @ 450' w/35

Next Plug: @ 270' w/35

Top Plug: @ 60' w/25

10 sacks cement in Rat Hole

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor Duke Drilling Co., Inc.

Address P.O. Box 823 Great Bend, KS 67530

License No. 5929

STATE OF Kansas

COUNTY OF Barton, ss.

Pete Musgrove

~~XXXXXXXX~~ of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

(Signature) Pete Musgrove
 (Address) Box 823 Great Bend, KS 67530

SUBSCRIBED AND SWORN TO before me this 12 day of Dec., 1984

Dorothy M. Blaque
 Notary Public

My Commission expires: 4-29-86



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

July 30, 2008

Mr. Howard Lachenmayr
Lachenmayr Oil, LLC
904 Emmaline
Newton, KS 67114

Re: Drilling Pit Application
Newton Lease Well No. 1
NE/4 Sec. 12-26S-01W
Sedgwick County, Kansas

Dear Mr. Lachenmayr:

District staff has inspected the above referenced location and has determined that the reserve pit must be lined. If a plastic liner is used it must have a minimum thickness of 10 mil. Integrity of the liner must be maintained at all times. The free fluids are to be **removed daily**.

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 (316) 630-4000 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