

OWWO

For KCC Use: 8-17-08
Effective Date: 2
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
October 2007
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date: 08 11 2008
month day year

Spot Description: SE NE
SE NE Sec. 26 Twp. 33 S. R. 5 E W
(Q/Q/Q) 1,980 feet from N / S Line of Section
660 feet from E / W Line of Section

OPERATOR: License# 4699
Name: Phillips Oil Properties
Address 1: 1822 S. Mead
Address 2: _____
City: Wichita State: KS Zip: 67211 + _____
Contact Person: Troy Phillips
Phone: (316) 265-7779

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

CONTRACTOR: License# _____ will notify on ACO-1 Must be licensed by KCC
Name: _____

Lease Name: Andes "A" Well #: 3
Field Name: Silver Creek Albright
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian

Well Drilled For: Oil Gas Seismic; _____ # of Holes Other
 Enh Rec Storage Disposal
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

Nearest Lease or unit boundary line (in footage): ~~1000~~ 660'
Ground Surface Elevation: 1270' 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: 100'
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 149' Request Exception
Length of Conductor Pipe (if any): N/A
Projected Total Depth: _____
Formation at Total Depth: mississippian

If OWWO: old well information as follows:
Operator: Range Oil Company, Inc.
Well Name: Andes "A" 3
Original Completion Date: 8-25-76 Original Total Depth: 3140

Water Source for Drilling Operations:
 Well Farm Pond Other: _____
DWR Permit #: _____

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

(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

Surface casing exception granted.

AFFIDAVIT

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KANSAS CORPORATION COMMISSION
AUG 06 2008

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:

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: 8-6-08 Signature of Operator or Agent: [Signature] Title: Geologist

For KCC Use ONLY
API # 15 - 035-21,023 -00-01
Conductor pipe required None feet
Minimum surface pipe required 149 feet per ALT. I II
Approved by: [Signature] 8-12-08
This authorization expires: 8-12-09
(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: _____

26 33 5
 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 - 035-21,023 ~~0001~~

Operator: Phillips Oil Properties

Lease: Andes "A"

Well Number: 3

Field: Silver Creek

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: _____ - SE - NE

Location of Well: County: Cowley

1,980 feet from N / S Line of Section

660 feet from E / W Line of Section

Sec. 26 Twp. 33 S. R. 5 E W

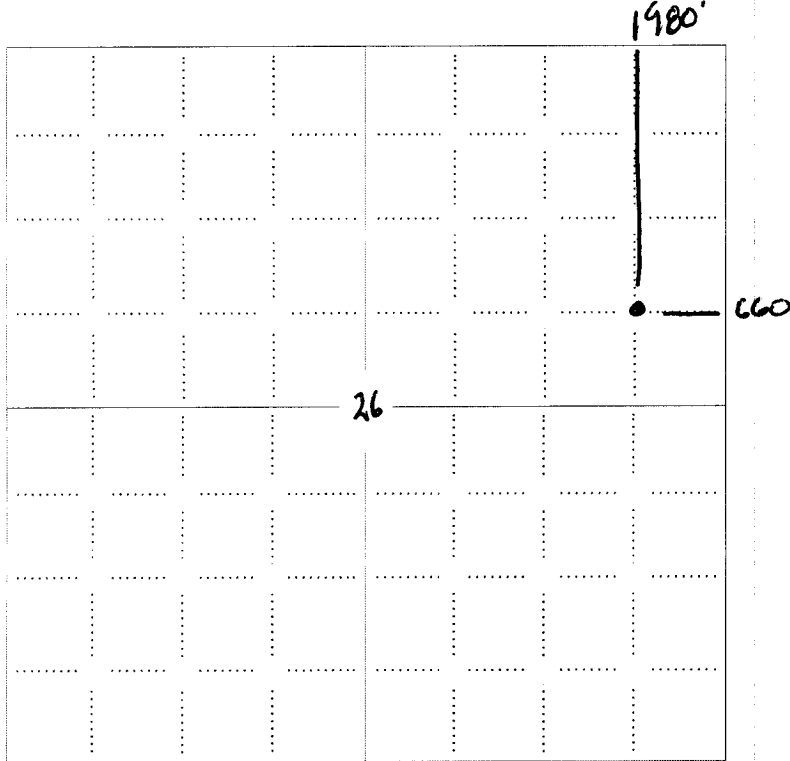
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

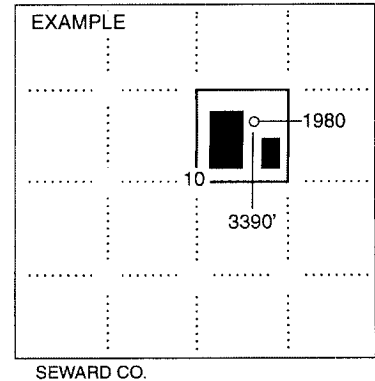
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)*



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WICHITA, KS



NOTE: In all cases locate the spot of the proposed drilling locaton.

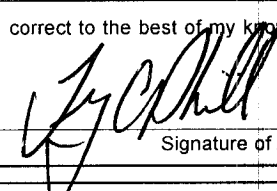
In plotting the proposed location of the well, you must show:

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: (C0-7 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: Phillips Oil Properties		License Number: 4699	
Operator Address: 1822 S. Mead		Wichita KS 67211	
Contact Person: Troy Phillips		Phone Number: (316) 265-7779	
Lease Name & Well No.: Andes "A" 3		Pit Location (QQQQ): _____ SE _____ NE Sec. <u>26</u> Twp. <u>33</u> R. <u>5</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>1,980</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>660</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Cowley _____ 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>100</u> _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>20,000</u> 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	
Pit dimensions (all but working pits): <u>10</u> Length (feet) <u>10</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>3</u> (feet) <input type="checkbox"/> No Pit		How is the pit lined if a plastic liner is not used? Drilling Fluids	
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 <u>N/A</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input 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: _____ Number of working pits to be utilized: <u>1</u> Abandonment procedure: Dry and Fill 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	
<u>8-6-08</u> Date	 Signature of Applicant or Agent	AUG 06 2008 CONSERVATION DIVISION WICHITA, KS	
KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>	
Date Received: <u>8/6/08</u> Permit Number: _____	Permit Date: <u>8/7/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-035-21023-0001

KAN COMMISSION
Room 2078
7202

WELL PLUGGING RECORD
K.A.R.-82-3-117

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

API NUMBER 15-035-21,023 -00-00

LEASE NAME Andes 'A'

WELL NUMBER 3

Ft. from S Section Line

Ft. from E Section Line

SEC. 26 TWP. 33 RGE. 5 (E) (S) (W)

COUNTY Cowley

Date Well Completed

Plugging Commenced 1-31-96?

Plugging Completed 1-6-96 ✓

OPERATOR Range Oil Company, Inc.

LESS 125 N. Market, #1120 Wichita, Ks. 67202

PHONE# (316) 265-6231 OPERATORS LICENSE NO. 5120'

Character of Well Oil

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

The plugging proposal was approved on _____ (date)

by _____ (KCC District Agent's Name).

Is ACO-1 filed? _____ If not, is well log attached? _____

Producing Formation _____ Depth to Top _____ Bottom _____ T.D. 3140'

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
				8 5/8"	149'	none
				4 1/2"	3138'	507'

Describe in detail the manner in which the well was plugged, indicating where the mud fluid placed and the method or methods used in introducing it into the hole. If cement or other plugging materials were used, state the character of same and depth placed, from _____ feet to _____ feet each sack. Plugged off bottom with sand to 2436' and 4 sacks cement. Shot pipe at 700', and at 507'. Pulled up to 250', circulated 165 sacks cement to surface from 250'. (60/40 POZMIX) 2% gel. Pulled casing. Plugging complete.

Name of Plugging Contractor Mike's Testing & Salvage, Inc. License No. 31529

Address P.O. Box 209 Chase, Kansas 67524

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Range Oil Company, Inc. Wichita, Ks. 67202

STATE OF Kansas COUNTY OF Rice, ss.

Mike Kelso

(Employee of Operator) or (Operator)

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

(Signature) *Mike Kelso*

(Address) P.O. Box 209 Chase, Kansas 67524

SUBSCRIBED AND SWORN TO before me this 9th day of February, 19 96

[Signature]
Notary Public

My Commission Expires: _____

PHILLIPS OIL PROPERTIES, INC.

1822 S. Mead, Wichita, KS 67211, 316.265.7779, 316.265.1942 FAX

August 6, 2008

Kansas Corporation Commission
Conservation Division
Finney State Office Building
130 S. Market, Room 2078
Wichita, KS 67202

Attn: Mr. Rick Hesterman

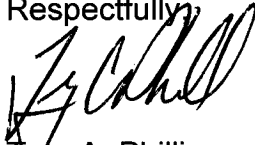
Re: Andes "A"-3 OWWO
26-33S-5E
Cowley Co., KS

Mr. Hesterman,

This well is an OWWO and has 149' of 8-5/8" surface casing set. I am requesting an exception to Table I surface casing requirement of 200 feet for this area. The 2 options for completion requested are to allow the existing 149' of 8-5/8" as surface casing necessary or complete as Alternate II completion. My preference would be to allow the existing 149' of 8-5/8" to be sufficient.

Please process or contact me with any questions or concerns.

Respectfully,



Troy A. Phillips
Geologist

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KANSAS CORPORATION COMMISSION

AUG 06 2008

CONSERVATION DIVISION
WICHITA, KS



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

August 12, 2008

Phillips Oil Properties
1822 S. Mead
Wichita, KS 67211

Re: Andes "A" #3 OWWO SE-NE Sec. 26-33S-R5E, Cowley County, Kansas

Dear Mr. Phillips:

The Kansas Corporation Commission has received your request, dated August 6, 2008, for an exception to Table 1 surface pipe requirements for the above-referenced well, which was originally drilled as the Andes "A" #3 in 1976 and plugged in 1996 by Range Oil Company, Inc. From your request, the KCC understands that Phillips Oil Properties desires to re-enter this well, which has 149' of surface pipe set. The Table 1 minimum surface pipe requirement for wells drilled in this part of Cowley County is 200'. The surface pipe set in this previously plugged well does not meet the present surface pipe setting depth requirements.

After review of this matter by technical staff it was determined that:

1. Bedrock at this location is the Permian Chase Group at or near surface.
2. A review of water well records indicated that deepest water well within approximately one mile of the Andes "A" #3 is 60 feet deep.
3. The existing 149' of surface casing adequately protects fresh and usable ground water.

Based on this information, an exception is granted for the Table 1 Minimum Surface Casing Requirements with the following stipulation:

1. In the event the well is dry and no additional production pipe has been cemented in-place, plugging will be performed according to KCC rules per KCC District #2 requirements.

Sincerely,

Doug Louis
Director

cc: Steve Bond
Jeff Klock - Dist #2 *via e-mail 8/14/08*