

For KCC Use:  
 Effective Date: 9-20-08  
 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: 10 01 08  
 month day year

OPERATOR: License# 6627  
 Name: Prospect Oil and Gas, Inc.  
 Address 1: P.O. Box 837  
 Address 2: \_\_\_\_\_  
 City: Russell State: Ks Zip: 67665  
 Contact Person: Brad Hutchison  
 Phone: 785-483-0492

CONTRACTOR: License# 5184  
 Name: Shields Oil Producers, Inc.

Well Drilled For:  Oil  Gas  Seismic; # of Holes \_\_\_\_\_  
 Enh Rec  Storage  Disposal  Other: \_\_\_\_\_  
 Infield  Pool Ext.  Wildcat  Other: \_\_\_\_\_  
 If OWWO: old well information as follows: \_\_\_\_\_

Type Equipment:  Mud Rotary  Air Rotary  Cable

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 #: \_\_\_\_\_

**\* OIL & GAS LEASES ATTACHED:  
 W/ POOLING CLAUSES.**

Spot Description: 140' N & 100' W of NW NW SW  
SW NW SW Sec. 3 Twp. 10 S. R. 16  E  W  
 (0000) 2,450 feet from  N /  S Line of Section  
230 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Rooks

Lease Name: Becker-Conger "B" Well #: 1

Field Name: Conger Ext.

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary line (in footage): 190

Ground Surface Elevation: 1958 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: 150

Depth to bottom of usable water: 650

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe (if any): None

Projected Total Depth: 3600

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 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: 9-10-08 Signature of Operator or Agent: [Signature] Title: MEMBER

RECEIVED  
 KANSAS CORPORATION COMMISSION

SEP 11 2008

CONSERVATION DIVISION  
 WICHITA, KS

**For KCC Use ONLY**  
 API # 15 - 163-23769-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per ALT.  I  II  
 Approved by: [Signature] 9-15-08  
 This authorization expires: 9-15-09  
 (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: \_\_\_\_\_

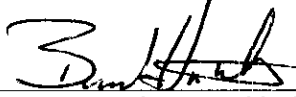
3  
10  
16  
 E  
 W



**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: <b>Prospect Oil and Gas, Inc.</b>		License Number: <b>6627</b>
Operator Address: <b>P.O. Box 837</b>		<b>Russell Ks 67665</b>
Contact Person: <b>Brad Hutchison</b>		Phone Number: <b>785-483-0492</b>
Lease Name & Well No.: <b>Becker-Conger "B" 1</b>		Pit Location (QQQQ): _____ NW _____ NW _____ SW
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 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: _____ (bbls)	Sec. <u>3</u> Twp. <u>10</u> R. <u>16</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2,450</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>230</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Rocks _____ County _____
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? <b>natural clay seal</b>
Pit dimensions (all but working pits): <u>50</u> Length (feet) <u>50</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>5</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.
		RECEIVED KANSAS CORPORATION COMMISSION <b>SEP 11 2008</b> CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit <u>4743</u> feet    Depth of water well <u>88</u> feet	Depth to shallowest fresh water <u>30</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	15163-23769-0020
<b>Emergency, Settling and Burn Pits ONLY:</b> 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	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>chemical mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Air dry and Backfill</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.		
<u>9-10-08</u> Date	 Signature of Applicant or Agent	

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>
Date Received: <u>9/11/08</u>	Permit Number: _____	Permit Date: <u>9/15/08</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

September 15, 2008

Mr. Brad Hutchinson  
Prospect Oil & Gas, Inc.  
PO Box 837  
Russell, KS 67665

RE: Drilling Pit Application  
Becker-Conger B Lease Well No. 1  
NW/4 Sec. 03-10S-16W  
Rooks County, Kansas

Dear Mr. Hutchinson:

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](http://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: district