



For KCC Use:  
 Effective Date: 09/30/2008  
 District # 3  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1023052  
 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: 10/22/2008  
 month day year

OPERATOR: License# 5150  
 Name: Colt Energy Inc  
 Address 1: PO BOX 388  
 Address 2:  
 City: JOLA State: KS Zip: 66749 + 0388  
 Contact Person: Dennis Kershner  
 Phone: 620-365-3111

CONTRACTOR: License#  
 Name: Advise on ACO-1 -- Must be licensed by KCC

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Pool Ext.
<input type="checkbox"/> Seismic ; # of Holes	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Other:	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> 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:  
 SE NW SW SW Sec. 26 Twp. 31 S. R. 17  E  W  
 880 feet from  N /  S Line of Section  
 560 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

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

County: Labette  
 Lease Name: King Well #: 13-26  
 Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Penn coals

Nearest Lease or unit boundary line (in footage): 600

Ground Surface Elevation: 848 Estimated 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: 200

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe (if any):

Projected Total Depth: 1200

Formation at Total Depth: Mississippi

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.

**Submitted Electronically**

For KCC Use ONLY	
API # 15 -	15-099-24530-00-00
Conductor pipe required	0 feet
Minimum surface pipe required	20 feet per ALT <input type="checkbox"/> I <input checked="" type="checkbox"/> II
Approved by:	Rick Hestermann 10/16/2008
This authorization expires:	09/25/2009 (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 31 17  
 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 - 15-099-24530-00-00  
 Operator: Colt Energy Inc  
 Lease: King  
 Well Number: 13-26  
 Field: Cherokee Basin Coal Area

Location of Well: County: Labette  
 880 feet from  N /  S Line of Section  
 560 feet from  E /  W Line of Section  
 Sec. 26 Twp. 31 S. R. 17  E  W

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: SE - NW - SW - SW

Is Section:  Regular or  Irregular

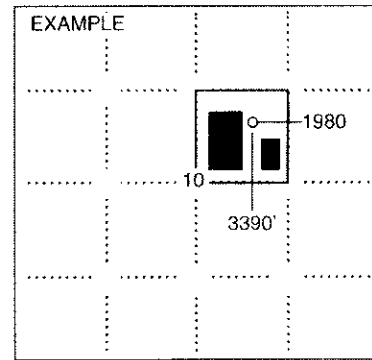
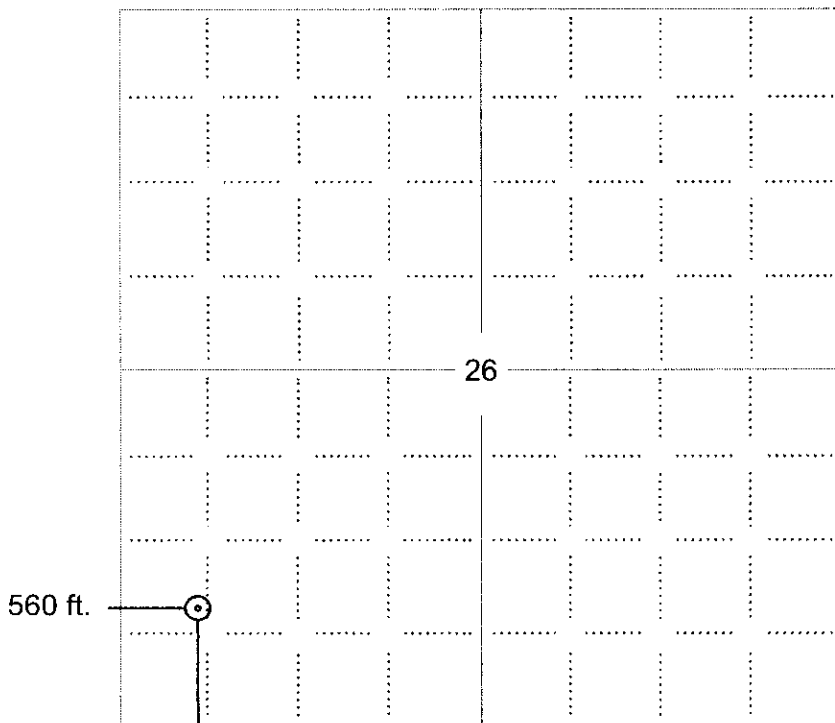
**If Section is irregular, locate well from nearest corner boundary.**

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 location.**

880 ft.

**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).

CORRECTION #1

KANSAS CORPORATION COMMISSION 1023052  
OIL & GAS CONSERVATION DIVISIONForm CDP-1  
April 2004  
Form must be Typed

## APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: <b>Colt Energy Inc</b>		License Number: 5150	
Operator Address: <b>PO BOX 388</b>		<b>IOLA KS 66749</b>	
Contact Person: <b>Dennis Kershner</b>		Phone Number: <b>620-365-3111</b>	
Lease Name & Well No.: <b>King 13-26</b>		Pit Location (QQQQ): <b>SE NW SW SW</b>	
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: <b>160</b> (bbls)	Sec. <b>26</b> Twp. <b>31</b> R. <b>17</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West 880 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 560 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Labette</b> County	
Is the pit located in a Sensitive Ground Water Area? <input 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? <b>Native clay soil</b>	
Pit dimensions (all but working pits): <b>30</b> Length (feet) <b>15</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>5</b> (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.	
Distance to nearest water well within one-mile of pit <b>na</b> 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	
<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: <b>Native soil</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Evaporation of freshwater &amp; fill</b> _____ Drill pits must be closed within 365 days of spud date.	
<b>Submitted Electronically</b>			
<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>10/14/2008</b>		Permit Number: <b>15-099-24530-00-00</b>	
Permit Date: <b>10/16/2008</b>		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Steel Pit <input type="checkbox"/>		RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>	

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*

October 16, 2008

Dennis Kershner  
Colt Energy Inc  
PO BOX 388  
IOLA, KS66749-0388

Re: Drilling Pit Application  
King Lease Well No. 13-26  
SW/4 Sec.26-31S-17E  
Labette County, Kansas

Dear Dennis Kershner:

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 (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: [kcc.ks.gov/conservation/forms/](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 District Office at (620) 432-2300.

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802  
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

### Summary of Changes

Lease Name and Number: King 13-26

API/Permit #: 15-099-24530-00-00

Doc ID: 1023052

Correction Number: 1

Approved By: Rick Hestermann 10/16/2008

Field Name	Previous Value	New Value
Expected Spud Date	10/1/2008	10/22/2008
Ground Surface Elevation	842	848
Is Footage Measured from the North or the South Section Line	North	South
Is Footage Measured from the North or the South Section Line	North	South
KCC Only - Approved By	Rick Hestermann 09/25/2008	Rick Hestermann 10/16/2008
KCC Only - Date Received	09/24/2008	10/14/2008
KCC Only - Lease Inspection	No	Yes
KCC Only - Permit Date	09/25/2008	10/16/2008
KCC Only - Regular Section Quarter Calls	NE SW NW NW	SE NW SW SW
LocationInfoLink	<a href="https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=26&amp;t">https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=26&amp;t</a>	<a href="https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=26&amp;t">https://solar.kgs.ku.edu/kcc/detail/locationInformation.cfm?section=26&amp;t</a>

Summary of changes for correction 1 continued

Field Name	Previous Value	New Value
Pit Capacity BBLs	80	160
Quarter Call 1 - Largest	NW	SW
Quarter Call 1 -Largest	NW	SW
Quarter Call 2	NW	SW
Quarter Call 2	NW	SW
Quarter Call 3	SW	NW
Quarter Call 3	SW	NW
Quarter Call 4 - Smallest	NE	SE
Quarter Call 4 - Smallest	NE	SE
RFAC		Yes
SaveLink	../kcc/detail/operatorE ditDetail.cfm?docID=10 22452 842 Estimated	../kcc/detail/operatorE ditDetail.cfm?docID=10 23052 848 Estimated