

Owwo

For KCC Use:
Effective Date: 11-11-08
District #: 2
SGA? [X] 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: 08 11 2008
month day year

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

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

Well Drilled For: [X] Oil [ ] Gas [ ] Seismic [ ] Other
Well Class: [X] Infield [ ] Pool Ext. [ ] Wildcat [ ] Other
Type Equipment: [X] Mud Rotary [ ] Air Rotary [ ] Cable

[X] If OWWO: old well information as follows:
Operator: Craig Morris Oil, Inc.
Well Name: Miller 3
Original Completion Date: 08-30-73 Original Total Depth: 3050

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

Spot Description: SW Sec. 23 Twp. 33 S. R. 5 [X] E [ ] W
1220 1335 feet from [ ] N [X] S Line of Section
1610 feet from [ ] E [X] W Line of Section

Is SECTION: [X] Regular [ ] Irregular?

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

County: Cowley
Lease Name: Miller Well #: 3
Field Name: Silver Creek A-lbright

Is this a Prorated / Spaced Field? [ ] Yes [X] No

Target Formation(s): Mississippian
Nearest Lease or unit boundary line (in footage): 1220

Ground Surface Elevation: 1200 1156 feet MSL

Water well within one-quarter mile: [ ] Yes [X] No

Public water supply well within one mile: [ ] Yes [X] No

Depth to bottom of fresh water: 100'

Depth to bottom of usable water: 100' 180'

Surface Pipe by Alternate: [X] I [ ] II

Length of Surface Pipe Planned to be set: 200 existing

Length of Conductor Pipe (if any): N/A

Projected Total Depth: 3049

Formation at Total Depth: mississippian

Water Source for Drilling Operations: [ ] Well [X] Farm Pond [ ] Other

DWR Permit #: (Note: Apply for Permit with DWR [ ])

Will Cores be taken? [ ] Yes [X] No

If Yes, proposed zone:

AFFIDAVIT

RECEIVED
KANSAS CORPORATION COMMISSION

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:

SEP 23 2008

- 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.

CONSERVATION DIVISION
WICHITA, KS

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: Title: Geologist

For KCC Use ONLY
API # 15 - 035-20,530 -00-01
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. [X] I [ ] II
Approved by: 11-6-08
This authorization expires: 11-6-09
(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:

23 33 5 [X] 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 - 035-20,530-00-01  
Operator: Phillips Oil Properties  
Lease: Miller  
Well Number: 3  
Field: Silver Creek

Location of Well: County: Cowley  
1220 1335 feet from  N /  S Line of Section  
1070 3670 1610 feet from  E /  W Line of Section  
Sec. 23 Twp. 33 S. R. 5  E  W

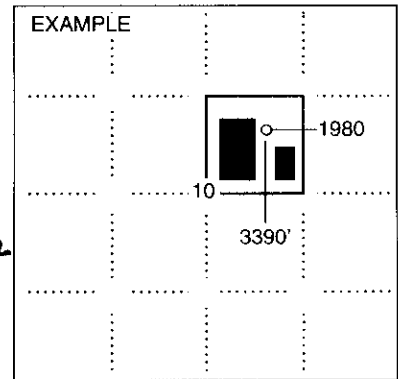
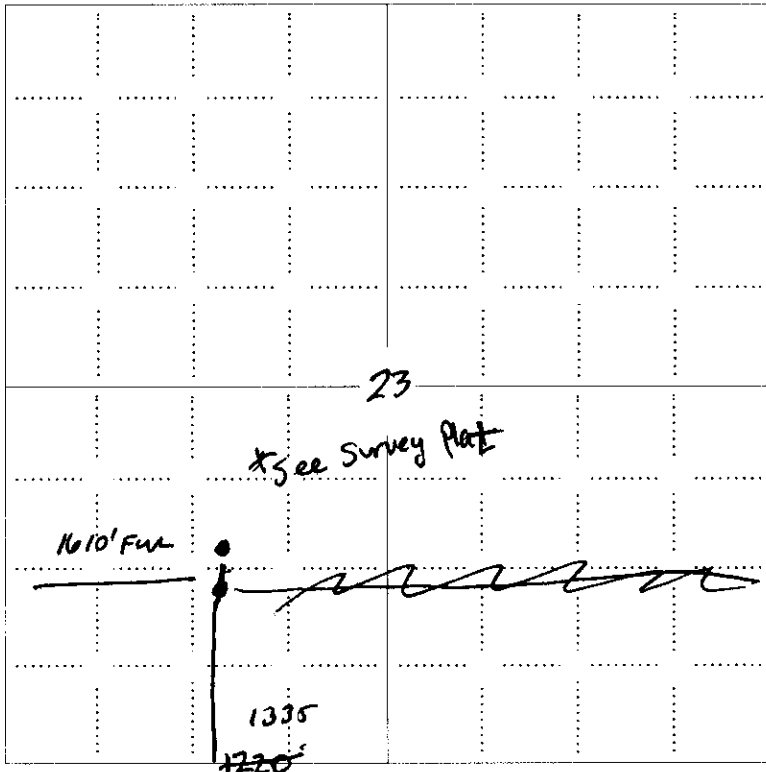
Number of Acres attributable to well: \_\_\_\_\_  
QTR/QTR/QTR/QTR of acreage: SW NE - SW

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.)

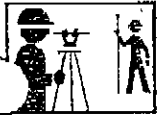


NOTE: In all cases locate the spot of the proposed drilling location.

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SEP 23 2008  
CONSERVATION DIVISION  
WICHITA, KS

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

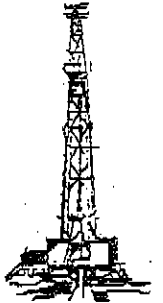
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease 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).



# ROBERT E. MOSER, R.L.S.

Oil Field Surveying

335 N. Mission Road • Wichita, Kansas 67206  
(316) 683-2853



KM1021081

INVOICE NO.

PHILLIPS OIL PROPERTIES, INC.

Miller

OPERATOR

NO.

FARM

Cowley (KS) 23 33s 05e  
COUNTY S T R

Per Plat Below

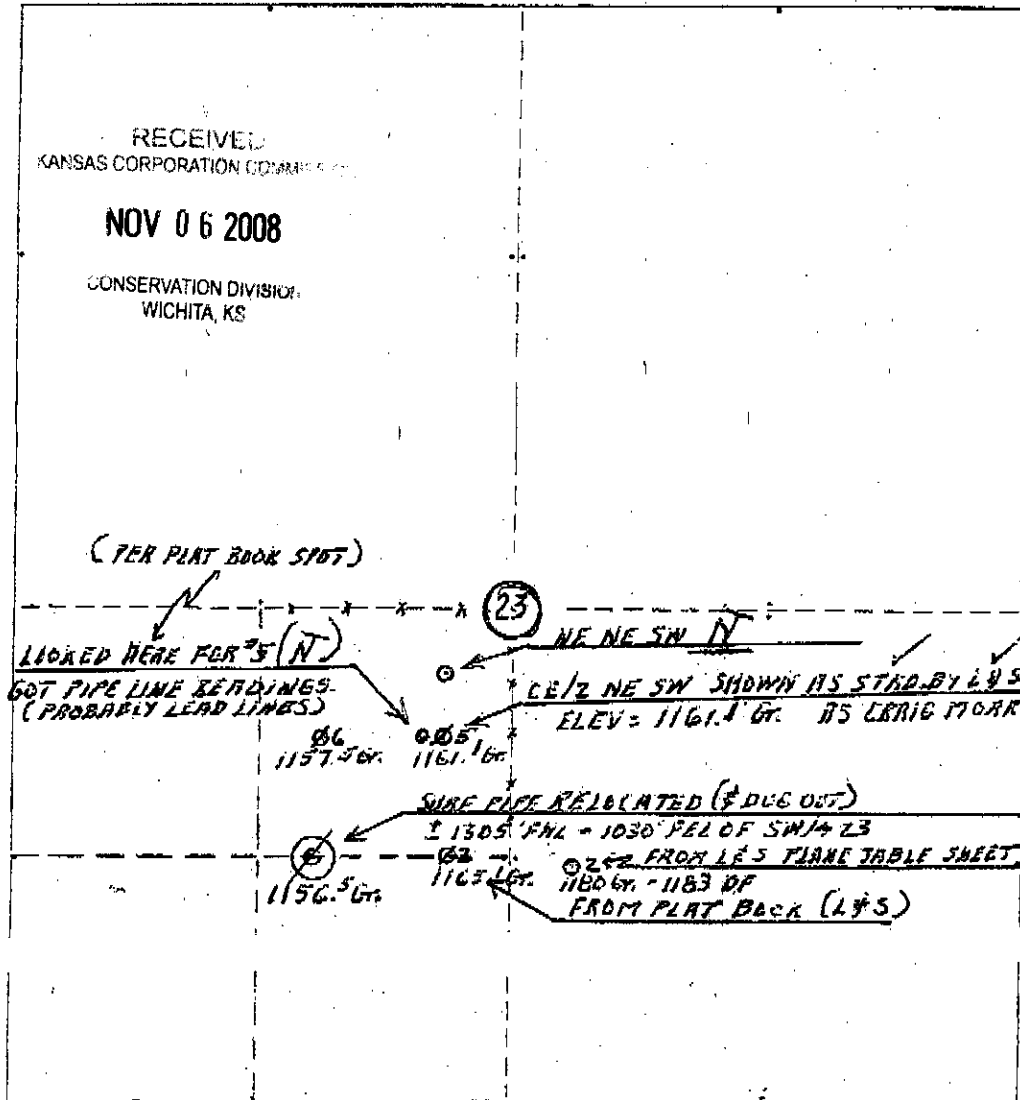
LOCATION

ELEVATION: Per Plat

Phillips Oil Properties, Inc.  
1822 South Mead  
Wichita, KS 67112

AUTHORIZED BY: and assisted by Mr. Troy Phillips

SCALE: 1" = 1000'



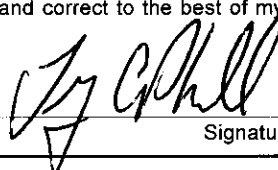
Note: Besides job of RELOCATING SURF PIPE of #3 additional info is from L & S Plane Table Sheet, and original field notes. Date: 21 October 2008

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
April 2004  
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: <b>Phillips Oil Properties</b>		License Number: <b>4699</b>	
Operator Address: <b>1822 S. Mead</b>		<b>Wichita KS 67211</b>	
Contact Person: <b>Troy Phillips</b>		Phone Number: <b>(316) 265-7779</b>	
Lease Name & Well No.: <b>Miller 3</b>		Pit Location (QQQQ): <b>SW NE</b> <b>SE 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 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: <b>100</b> (bbls)	
		Sec. <b>23</b> Twp. <b>33</b> R. <b>5</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>1220 1335</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1070 3690 1610</b> Feet from <input checked="" type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Cowley</b> County	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <b>20,000</b> 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>Drilling Fluids native clay</b>	
Pit dimensions (all but working pits): <b>10</b> Length (feet) <b>10</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: <b>3</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>N/A</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>fresh water</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Dry and Fill</b> 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	
<b>8-6-08</b> Date		 Signature of Applicant or Agent	
		<b>SEP 23 2008</b> CONSERVATION DIVISION WICHITA, KS	
<b>KCC OFFICE USE ONLY</b>			
		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>	
Date Received: <b>9/23/08</b> Permit Number: _____		Permit Date: <b>11/4/08</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

15295 205300001



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

November 4, 2008

Phillips Oil Properties  
1822 S. Mead  
Wichita, KS 67211

Re: Drilling Pit Application  
Miller Lease Well No. 3  
SW/4 Sec. 23-33S-05E  
Cowley County, Kansas

Dear Sir or Madam:

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 within 72 hours of drilling completion.

**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](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: File

STATE OF KANSAS  
STATE CORPORATION COMMISSION  
200 Colorado Derby Building  
Wichita, Kansas 67202

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

15-035-20530-0000

API NUMBER August 3, 1973

LEASE NAME Miller

WELL NUMBER 3

SPOT LOCATION C SW/4

SEC. 23 TWP. 33 RGE. 5 (E) or ~~W~~

COUNTY Cowley

Date Well Completed 8/30/73

Plugging Commenced 10/21/84

Plugging Completed 10/23/84

LEASE OPERATOR Gerber Energy Corporation

ADDRESS 7555 East Hampden Avenue, Suite 413  
Denver, Colorado 80231

PHONE # (303) 695-6797 OPERATORS LICENSE NO. 6910

Character of Well Oil  
(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

Is ACO-1 filed? Yes. If not, is well log attached? \_\_\_\_\_

Producing formation Mississippi Depth to top 3014 bottom 3028 T.D. 3050

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
Mississippi	Oil	3014	28	8 5/8	200X	None
Bartlesville	Water	2954	60	5 1/2	3049	None

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. Cast Iron Bridge plug set at 3003' on 6/20/77 new perfs at 2954 to 2960 -- we sanded to 2868 and dumped 5 cv cement on top of sand and set top plug at 355' in 5 1/2, ran 1-inch between 8 5/8 and 5 1/2 to 355' and circulated cement to surface, pulled 1-inch and filled 5 1/2 to surface with Halliburton common cement, Invoice #892861, cut 5 1/2 off even with 8 5/8 and welded a plate over both.

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

Name of Plugging Contractor Butler County Drilling Co. License No. 6018  
Address Box 264, Winfield, Kansas 67156

STATE OF Kansas COUNTY OF Cowley, ss.

Richard Hopper (employee of operator) or  
operator 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 to the best of my knowledge and belief, under penalty of perjury, so help me God.

(Signature) Richard Hopper

(Address) P.O. Box 730, Winfield,

Kansas, 67156

SUBSCRIBED AND SWORN TO before me this 13 day of November, 19 84

