

OWWO

Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use:
Effective Date: 11-15-08
District #: 2
SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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: Oil Gas Seismic; # of Holes 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: Central Energy Corp
Well Name: Miller 5
Original Completion Date: 03-28-74 Original Total Depth: 3075

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

* 5 1/2" casing cemented from 355' to surface 10/20/04; CP4

Spot Description: NE-NE-SW
NW NE SE SW Sec. 23 Twp. 33 S. R. 5 E W
(a/a/a/a) 280 1950 feet from N / S Line of Section
220 2970 2190 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: Cowley
Lease Name: Miller Well #: 5
Field Name: Albright

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

Nearest Lease or unit boundary line (in footage): 330
Ground Surface Elevation: 1140 1161.5 per survey 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' 185'
Surface Pipe by Alternate: I II
* Length of Surface Pipe Planned to be set: 270 159
Length of Conductor Pipe (if any): N/A
Projected Total Depth: 3075
Formation at Total Depth: mississippian

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

For KCC Use ONLY
API # 15 - 035-20,650 -00-02
Conductor pipe required None feet
Minimum surface pipe required 159 feet per ALT. I II
Approved by: [Signature]
This authorization expires: 11-10-09
(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
 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 - 035-20,650 -00-02
Operator: Phillips Oil Properties
Lease: Miller
Well Number: 5
Field: Albright

Location of Well: County: Cowley
2310 1950 feet from N / S Line of Section
2310 2970 2190 feet from E / W Line of Section
Sec. 23 Twp. 33 S. R. 5 E W

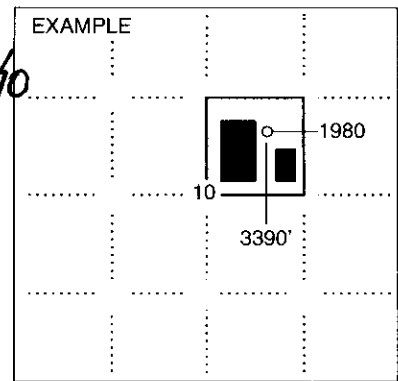
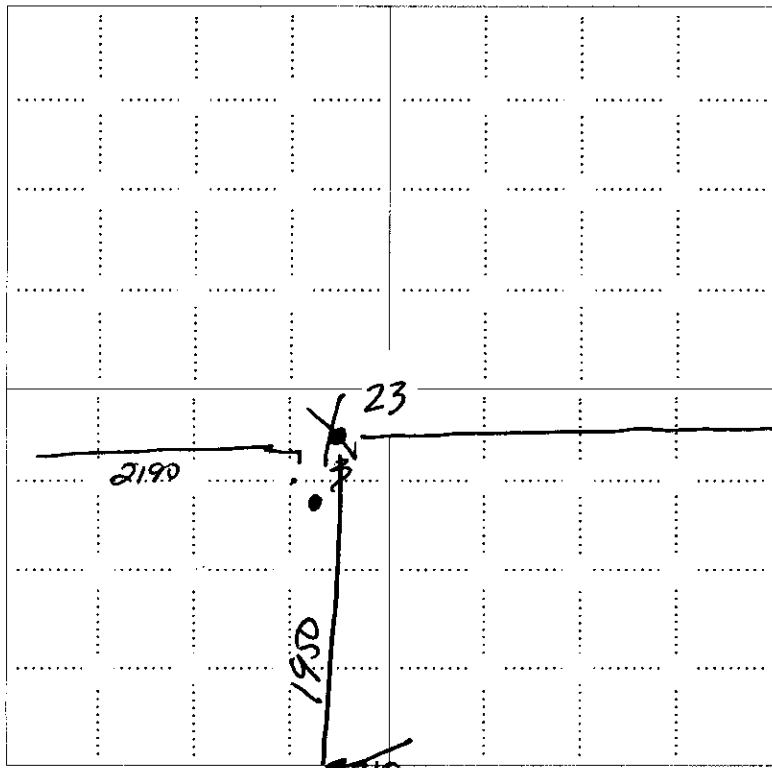
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: SE - NE - SW

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.)



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KANSAS CORPORATION COMMISSION
SEP 23 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).

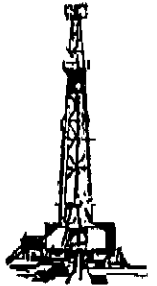
15-035-206SD-0002



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) 25 33s 05e
COUNTY S T R

Per Plat Below ✓

LOCATION

ELEVATION: Per Plat

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

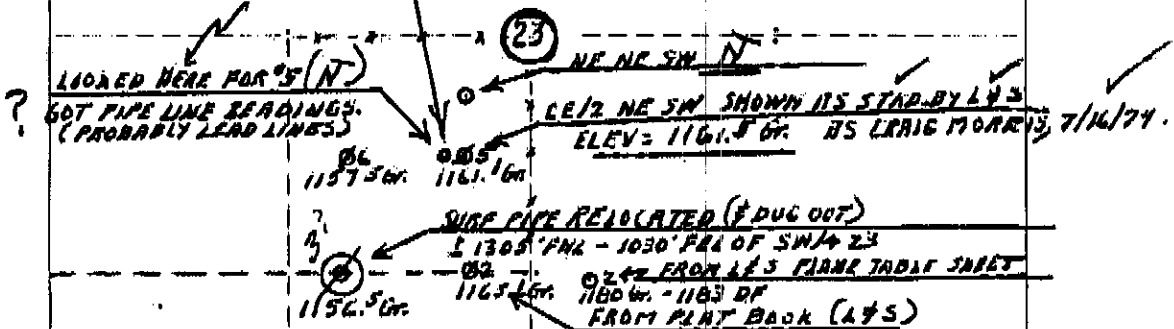
AUTHORIZED BY and assisted by Mr. Troy Phillips

SCALE: 1" = 1000'

COPY

11/5/08 S. PIPE RELOCATED (DUG OUT - BACKHOE)
630' PNL - 750' PNL OF SW 1/4
ELEV. 1167.8' GR.

(PER PLAT BOOK SPOT)



CONSERVATION DIVISION
WICHITA, KS

NOV 07 2008

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Note: Besides job of RELOCATING SURF PIPE of #9 additional info is from L & S Plane Table Sheet, and original field notes.

UPDATED 11/5/08 R.E.M.

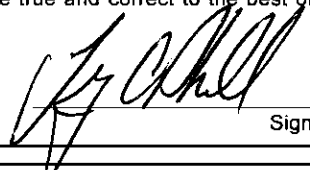
Date: 21 October 2008

R. E. Moser

**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.: Miller 5		Pit Location (QQQQ): SE NE NE 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 100 (bbls)	
		Sec. 23 Twp. 33 R. 5 <input checked="" type="checkbox"/> East <input type="checkbox"/> West Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310 2190 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Cowley County	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: 20,000 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? Drilling Fluids native clay	
Pit dimensions (all but working pits): 10 Length (feet) 10 Width (feet) <input type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: 3 (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 N/A 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: Dr. Fresh water Number of working pits to be utilized: 1 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.			
8-6-08 Date		 Signature of Applicant or Agent	
RECEIVED KANSAS CORPORATION COMMISSION SEP 23 2008 CONSERVATION DIVISION WICHITA, KS			
KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>	
Date Received: 9/23/08 Permit Number: _____		Permit Date: 11/1/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

15035-20650-00-02



*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. 5
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.

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