

For KCC Use: 7-19-2009
 Effective Date: _____
 District #: 2
 SGA? Yes No

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

Form C-1
 December 2002
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 07 16 2009
 month day year

OPERATOR: License# 5210
 Name: Lebsack Oil Production
 Address: P. O. Box 489
 City/State/Zip: Hays, KS 67601-0489
 Contact Person: Wayne Lebsack
 Phone: (620) 938-2396

CONTRACTOR: License# 5142
 Name: Sterling Drilling Company

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

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 N/2 - Se - Ne Sec. 33 Twp. 20 S. R. 10 East West
1650' feet from N / S Line of Section
660' feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Rice
 Lease Name: Bensch Well #: 1
 Field Name: Grove
 Is this a Prorated / Spaced Field? Yes No
 Target Information(s): Chase, LKC and Arbuckle
 Nearest Lease or unit boundary: 330
 Ground Surface Elevation: 1717 Surveyed 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: 1 2
 Length of Surface Pipe Planned to be set: 250
 Length of Conductor Pipe required: Not Required
 Projected Total Depth: 3400'
 Formation at Total Depth: Arbuckle
 Water Source for Drilling Operations:
 Well Farm Pond Other
 DWR Permit #: Contractor will apply for
 (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 to the best of my knowledge and belief.

Date: 7/7/2009 Signature of Operator or Agent: _____ Title: Steve E. McClain, President

For KCC Use ONLY
 API # 15 - 159-22595-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 220 feet per Alt. 1
 Approved by: RWA 7-14-2009
 This authorization expires: 7-14-2010
 (This authorization void if drilling not started within 12 months of effective 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;
 - 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
 Signature of Operator or Agent: _____
 Date: _____

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

RECEIVED
 JUL 13 2009

KCC WICHITA

33-20-10W

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 - 159-22595-00-00
 Operator: Lebsack Oil Production
 Lease: Bensch
 Well Number: 1
 Field: Grove
 Number of Acres attributable to well: 40
 QTR / QTR / QTR of acreage: N/2 - Se - Ne

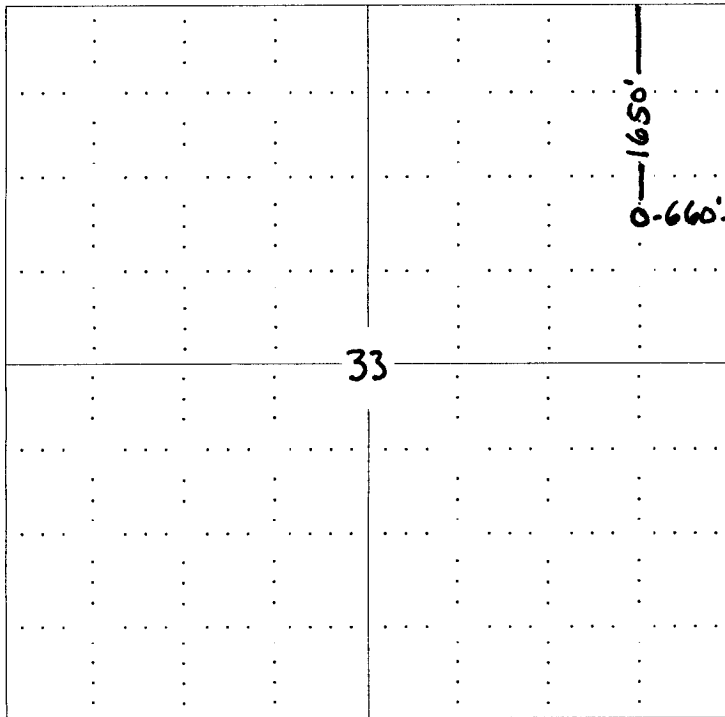
Location of Well: County: Rice
 1650' feet from N / S Line of Section
 660' feet from E / W Line of Section
 Sec. 33 Twp. 20 S. R. 10 East West

Is Section: Regular or Irregular

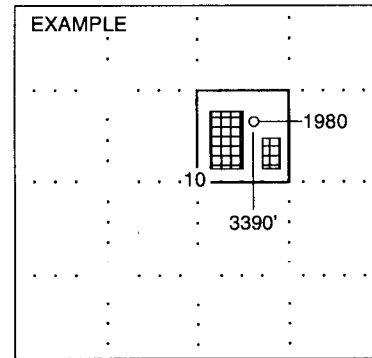
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



RECEIVED
 JUL 13 2009
 KCC WICHITA



SEWARD CO.

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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 POND**

Form CDP-1
January 2001
Form must be Typed

Submit in Duplicate

Operator Name: Lebsack Oil Production, Inc.		License Number: 5210
Operator Address: P O Box 489, Hays, Kansas 67601-0489		
Contact Person: Wayne Lebsack		Phone Number: (620) 938 - 2396
Lease Name: Bensch #1		Pit Location:
Type of Pond: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn 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: 3,500 (bbls)	NE Qtr. Sec. 33 Twp. 20 R. 10 <input type="checkbox"/> E <input checked="" type="checkbox"/> W 1650 Feet from N S (circle one) Line of Section 660 Feet from E W (circle one) Line of Section Rice County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Treatment 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? Bentonite
Pit dimensions (all but working pits): 75 Length (feet) 75 Width (feet) Depth from ground level to deepest point: 4 (feet)		
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 1198 feet Depth of water well 36 feet		Depth to shallowest fresh water 12 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KDWR
Emergency, Treatment 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 pond? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling and Workover Pits ONLY: Type of material utilized in drilling/workover: Fresh water/Bentonite Number of working pits to be utilized: 3 Abandonment procedure: Haul off free fluids after Hutchinson Salt and at completion of drilling operations. Let dry and backfill. 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. 7/7/2009 _____ Date		RECEIVED JUL 13 2009 KCC WICHITA <i>Steel PITS</i>
KCC OFFICE USE ONLY		
Date Received: 7/13/09 Permit Number: _____ Permit Date: 7/14/09 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-159-22595-00-00

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

* Public water supply well - sec 27-20-10w



Mark Parkinson, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

July 14, 2009

Lebsack Oil Production
PO Box 489
Hays, KS 67601-0489

RE: Drilling Pit Application
Bensch Lease Well No. 1
NE/4 Sec. 33-20S-10W
Rice County, Kansas

Dear Sir or Madam:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (316) 630-4000. Please file form CDP-5, 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.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

Cc: File

**HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS**

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner: Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: s No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.

KCC -- Conservation Division Forms -- 06/01/2009

Internet KCC Home Page -- <http://kcc.ks.gov>

Conservation Division Home Page -- <http://kcc.ks.gov/conservation/index.htm>

Conservation Division Forms -- <http://kcc.ks.gov/conservation/forms/index.htm>

ADOBE FILL-IN FORM ON INTERNET

FORM DATE

- Electronic Filing of KCC forms**
- 04/2008 ■ Master Electronic Filing Certificate MEFC
- General Administrative**
- 09/2005 ■ License Application OPL-1
04/2004 ■ Request for Change of Operator; Transfer of Injection or Surface Pit Permit T-1
06/2009 ■ Well Intentry OWI-1
- Well Permitting**
- 10/2007 ■ Notice of Intent to Drill C-1 *Please use updated form on future filings*
04/2004 ■ Application for Surface Pit CDP-1
12/2008 ■ Cathodic Protection Borehole Intent to Drill CB-1
- Well Completion Reports and Other Well Application**
- 10/2008 ■ Well Completion Form ACO-1
03/2009 ■ Commingling Application ACO-4
03/2009 ■ Dual Completion Report ACO-5
09/2005 ■ Well Location Exception Application Check List ACO-17
05/2009 ■ Venting-Flaring of Gas ACO-18
09/2005 ■ Extended Gas Venting Affidavit CG-3
09/2005 ■ Coalbed Natural Gas Venting Affidavit CG-4
03/2009 ■ Temporary Abandonment Application CP-111
09/2003 ■ Verified Affidavit For Vacuum Operations V-1
- Surface Pits and Waste Transfer**
- 04/2004 ■ Application for Surface Pit CDP-1
04/2004 ■ Closure of Surface Pit CDP-4
08/2008 ■ Exploration and Production Waste Transfer CDP-5
- Well Plugging Report**
- 03/2009 ■ Well Plugging Application CP-1
03/2009 ■ Well Plugging Record CP-4
08/2003 ■ Seismic Hole Affidavit
- Oil & Gas Well Testing Report**
- 10/1996 ■ Oil Productivity Test & GOR Report C-5
10/1996 ■ Multi-Point Back Pressure Test CG-1
07/2003 ■ One Point Stabilized Open Flow or Deliverability Test G-2
- Gas Gathering Report**
- 06/2008 ■ Gas Gathering Report GG-1
06/2007 ■ Gas Gathering Segment Report GG-1a
- Oil and Gas Producer's Report**
- 06/1989 ■ Summary of Oil Producers Report CO-8, CO-8A
08/2000 ■ Gas Producer/Purchaser Monthly Report CG-7, CG-7A
- Acreage Attribution and Well Spacing Report**
- 12/1994 ■ Oil Acreage Attribution Plat CO-7
12/1994 ■ Gas Acreage Attribution Plat CG-8
- New Pool and Certificate of Enhancement Projects (Severance Tax Exemptions) Request**
- 07/2006 ■ New Pool Determination-Discovery Allowable ACO-16
10/1999 ■ Application for Enhanced Recovery Project Certification CER-1, and
Calculation Sheet Base Production Calculation and Certification CER 1-A
- Underground Injection Control Report**
- 07/2006 ■ UIC Application U-1
11/2008 ■ Annual Report U3-C. This form is required on an annual basis due each March 1.
07/2003 ■ Notice of Injection (of commencement or termination of injection) U-5
07/2003 ■ Application to Amend Injection Order U-8
07/2003 ■ Notice to Modify Injection Order U-9
- Wireline Service**
- 08/2003 ■ Monthly Wireline Service Company Report MWSC-1