

For KCC Use: 9-14-2009  
Effective Date: 3  
District #: 3  
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

Form C-1  
October 2007  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

Expected Spud Date: 9-13-09  
month day year

OPERATOR: License# 33749  
Name: Kepley Well Service, LLC  
Address 1: 19245 Ford Road  
Address 2: \_\_\_\_\_  
City: Chanute State: KS Zip: 66720 + \_\_\_\_\_  
Contact Person: Mike Kepley  
Phone: 620-431-8945

CONTRACTOR: License# 33374  
Name: L & S Well Service

Well Drilled For: ☒ Oil ☐ Gas ☐ Enh Rec ☐ Storage ☐ Disposal ☐ Seismic; # of Holes \_\_\_\_\_ ☐ Other: \_\_\_\_\_  
Well Class: ☒ Infield ☐ Pool Ext. ☐ Wildcat ☐ Other \_\_\_\_\_  
Type Equipment: ☐ Mud Rotary ☒ Air Rotary ☐ Cable  
☐ 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 NE SE Sec. 33 Twp. 27 S. R. 18 ☒ E ☐ W  
(a.a.a.a) 1,352 feet from ☐ N / ☒ S Line of Section  
535 feet from ☒ E / ☐ W Line of Section  
Is SECTION: ☒ Regular ☐ Irregular?

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

County: Neosho  
Lease Name: Kepley Well #: N-1  
Field Name: Chanute/Humboldt

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

Nearest Lease or unit boundary line (in footage): 1/4 Mile (1320')

Ground Surface Elevation: n/a 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: 20'

Depth to bottom of usable water: 150'

Surface Pipe by Alternate: ☐ I ☒ II

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: 850'

Formation at Total Depth: 820' Bartlesville

Water Source for Drilling Operations: ☐ Well ☒ Farm Pond ☐ Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR) ☐ Yes ☒ No

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: 9-4-09 Signature of Operator or Agent: [Signature] Title: Owner

For KCC Use ONLY

API # 15 - 133-27518-00-00  
Conductor pipe required None feet  
Minimum surface pipe required 20 feet per ALT. ☐ I ☒ II  
Approved by: [Signature] 9-9-2009  
This authorization expires: 9-9-2010  
(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: \_\_\_\_\_

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SEP - 8 2009  
CONSERVATION DIVISION  
WICHITA, KS

33 27 18 ☒ 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 - 133-27518-00-00  
 Operator: Kepley Well Service, LLC  
 Lease: Kepley  
 Well Number: N-1  
 Field: Chanute/Humboldt

Number of Acres attributable to well: 1  
 QTR/QTR/QTR/QTR of acreage: SE - NE - SE

Location of Well: County: Neosho  
 1,352 feet from ☐ N / ☒ S Line of Section  
 535 feet from ☒ E / ☐ W Line of Section  
 Sec. 33 Twp. 27 S. R. 18 ☒ E ☐ W

Is Section: ☒ Regular or ☐ Irregular

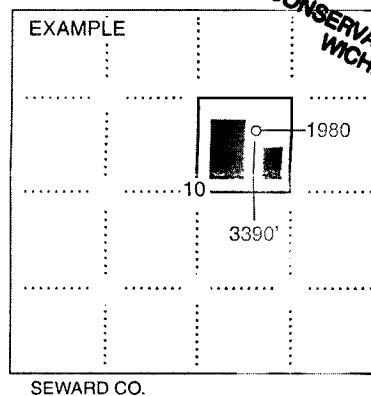
**If Section is Irregular, locate well from nearest corner boundary.**

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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 WICHITA, KS

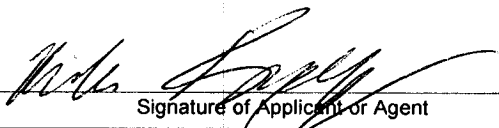
**In plotting the proposed location of the well, you must show:**

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).

**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>Kepley Well Service, LLC</b>  |  | License Number: <b>33749</b>   |  |
| Operator Address: <b>19245 Ford Road</b>  |  | <b>Chanute KS 66720</b>  |  |
| Contact Person: <b>Mike Kepley</b>  |  | Phone Number: <b>620-431-8945</b>  |  |
| Lease Name & Well No.: <b>Kepley N-1</b>  |  | Pit Location (QQQQ):<br><b>SE NE SE</b><br>Sec. <b>33</b> Twp. <b>27</b> R. <b>18</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West<br><b>1,352</b> Feet from <input type="checkbox"/> North <input checked="" type="checkbox"/> South Line of Section<br><b>535</b> Feet from <input checked="" type="checkbox"/> East <input type="checkbox"/> West Line of Section<br><b>Neosho</b> County |  |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><small>(If WP Supply API No. or Year Drilled)</small>  |  | Pit is:<br><input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed: _____<br>Pit capacity: _____ (bbls)  |  |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |  | Chloride concentration: _____ mg/l<br><small>(For Emergency Pits and Settling Pits only)</small>   |  |
| Is the bottom below ground level?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |  | Artificial Liner?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |  |
| How is the pit lined if a plastic liner is not used?<br><b>Clay</b>   |  |  |  |
| Pit dimensions (all but working pits): <b>20</b> Length (feet) <b>10</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits<br>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<br>n/a <b>4822</b> feet    Depth of water well <b>29</b> feet   |  | Depth to shallowest fresh water <b>20</b> feet.<br>Source of information:<br><input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log   |  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>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><br>Type of material utilized in drilling/workover: <b>Drill Cuttings</b><br>Number of working pits to be utilized: <b>1</b><br>Abandonment procedure: <b>Remove fluids. Fill in.</b><br>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.<br><br><div style="display: flex; justify-content: space-between;"> <div>           9-4-09<br/>Date         </div> <div> <br/>Signature of Applicant or Agent         </div> </div> |  |  |  |

**KCC OFFICE USE ONLY**

Steel Pit ☐    RFAC ☒    REAS ☐

Date Received: **9/8/09**    Permit Number: \_\_\_\_\_    Permit Date: **9/9/09**    Lease Inspection: ☒ Yes ☐ No

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

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CONSERVATION DIVISION  
WICHITA, KS

15133-27518-00-00



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

September 9, 2009

Kepley Well Service, LLC  
19245 Ford Rd  
Chanute, KS 66720

RE: Drilling Pit Application  
Kepley Lease Well No. N-1  
SE/4 Sec. 33-27S-18E  
Neosho 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 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:  
[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