

For KCC Use: 9-20-2009
 Effective Date: _____
 District # _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

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 SEP 03 2009

Form C-1
 October 2007
 Form must be Typed
 Form must be Signed
 Blanks must be Filled

NOTICE OF INTENT TO DRILL
 Must be approved by KCC five (5) days prior to commencing work

KCC WICHITA

Expected Spud Date: September 15 2009
 month day year

OPERATOR: License# 34244
 Name: Cortez Heartland, LLC
 Address 1: 3131 McKinney Ave. Suite 430
 Address 2: _____
 City: Dallas State: Tx Zip: 75204
 Contact Person: Mike Catrino
 Phone: 214-628-9155

CONTRACTOR: License# 5929
 Name: Duke Drilling

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic ; _____ # of Holes	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Other: _____	<input checked="" type="checkbox"/> Infield	
	<input type="checkbox"/> Pool Ext.	
	<input checked="" type="checkbox"/> Wildcat	
	<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 Description: _____
 _____ SW _____ SW Sec. 12 Twp. 21 S. R. 20 E W
 (Area) 660 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: Rush Pawnee
 Lease Name: Snodgrass Well #: 1-30

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Cherokee, Mississippian
 Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 2116 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: 180

Depth to bottom of usable water: 370
 Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 400
 Length of Conductor Pipe (if any): None

Projected Total Depth: 4400
 Formation at Total Depth: Mississippian

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

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: 9/3/09 Signature of Operator or Agent: Paul Presner Title: Agent

For KCC Use ONLY
 API # 15 - 145-21592-0000
 Conductor pipe required None feet
 Minimum surface pipe required 360 feet per ALT: I II
 Approved by: Kum 9-15-2009
 This authorization expires: 9-15-2010
 (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: _____

12
21
20
 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 - 145-21592-00-00
Operator: Cortez Heartland, LLC
Lease: Snodgrass
Well Number: 1-30
Field: _____

Location of Well: County: Rush
660 feet from / S Line of Section
660 feet from E / W Line of Section
Sec. 12 Twp. 21 S. R. 20 E W

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

Is Section: Regular or Irregular

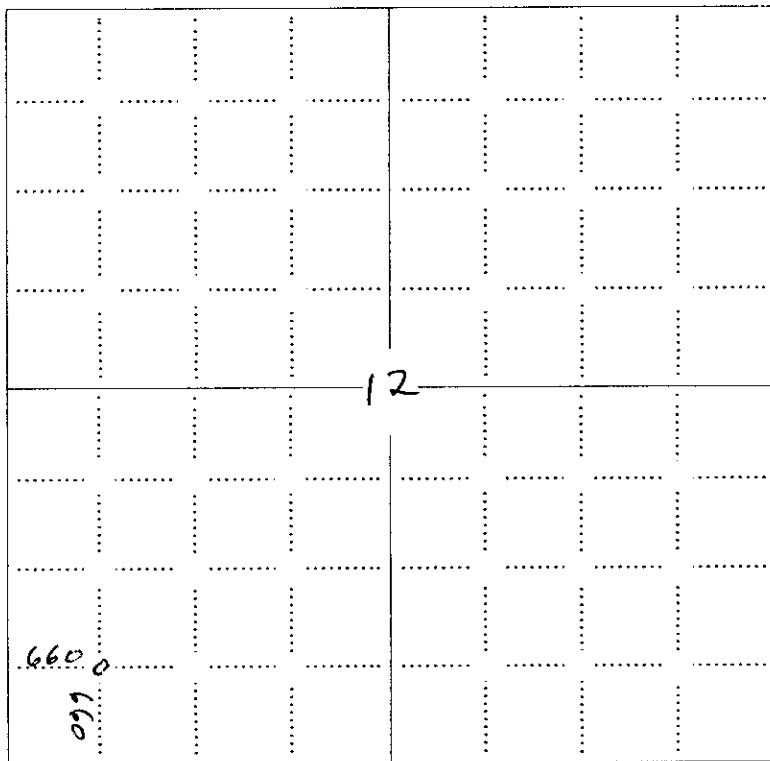
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

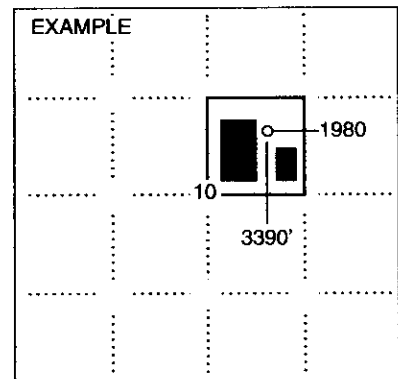
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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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 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)

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT


RECEIVED

SEP 03 2009

Form CDP-1
April 2004
Form must be Typed

KCC WICHITA

Submit in Duplicate

Operator Name: Cortez Heartland, LLC		License Number: 34244	
Operator Address: 3131 McKinney Ave. Suite 430		Dallas Tx 75204	
Contact Person: Mike Catrino		Phone Number: 214-628-9155	
Lease Name & Well No.: Snodgrass 1-30		Pit Location (QQQQ): SW 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 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: 500 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ 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? NATIVE CLAY			
Pit dimensions (all but working pits): Length (feet) 100 Width (feet) 50 Depth from ground level to deepest point: 4 (feet)		<input type="checkbox"/> N/A: Steel Pits <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 4942 feet Depth of water well 23 feet		Depth to shallowest fresh water 25 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" 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: Drilling mud Number of working pits to be utilized: 1 Abandonment procedure: Evaporate 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.			
9/3/09 Date		 Signature of Applicant or Agent	

15-145-21592-00-00

KCC OFFICE USE ONLY

Steel Pit RFAC RFAS

Date Received: 9/3/09 Permit Number: Permit Date: 9/5/09 Lease Inspection: Yes No



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

September 15, 2009

Cortez Heartland, LLC
3131 McKinney Ave. Ste 430
Dallas, TX 75204

RE: Drilling Pit Application
Snodgrass Lease Well No. 1-30
SW/4 Sec. 12-21S-20W
Pawnee 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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 96 hours 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) 225-8888 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,

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

Kathy Haynes
Department of Environmental Protection and Remediation

cc: File