

For KCC Use:
 Effective Date: 9-23-2009
 District # 1
 SGA? 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: 09 30 2009
 month day year

OPERATOR: License# 34057 ✓
 Name: Ponderosa Wilching, LLC
 Address 1: 110 A Spring Creek
 Address 2: _____
 City: Waco State: TX Zip: 76705 + _____
 Contact Person: Craig Epp
 Phone: (254) 799-5261

CONTRACTOR: License# 5142 ✓
 Name: Sterling Drilling

Well Drilled For: Oil Enh Rec Gas 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: 38' South of
 C - Sw - Se - Sw Sec. 27 Twp. 29 S. R. 15 E W
 (10/10/10) 292 feet from N / S Line of Section
3,630 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Pratt
 Lease Name: Epp Well #: No. 2
 Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Lansing Kansas City, Viola, Simpson

Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 1956 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: 120

Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 8-5/8" at 350

Length of Conductor Pipe (if any): _____

Projected Total Depth: 4850

Formation at Total Depth: Arbuckle

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: _____

Oil & Gas Lease submitted

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** 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: 09/15/09 Signature of Operator or Agent: [Signature] Title: Agent for Operator

For KCC Use ONLY
 API # 151-22342-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per ALT. I II
 Approved by [Signature] 9-18-2009
 This authorization expires: 9-18-2010
 (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 17 2009

CONSERVATION DIVISION
 WICHITA, KS

27
29
15
 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: 151-22342-00-00
Operator: Ponderosa Witching, LLC
Lease: EPP
Well Number: No. 2
Field: EPP

Location of Well: County: Pratt
292 feet from N / S Line of Section
3,630 feet from E / W Line of Section
Sec. 27 Twp. 29 S. R. 15 E W

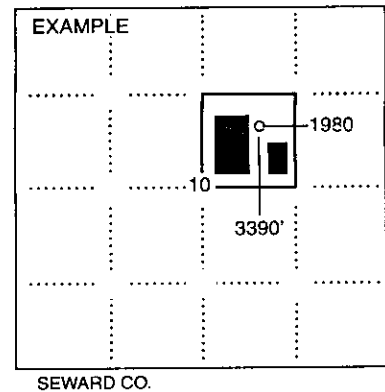
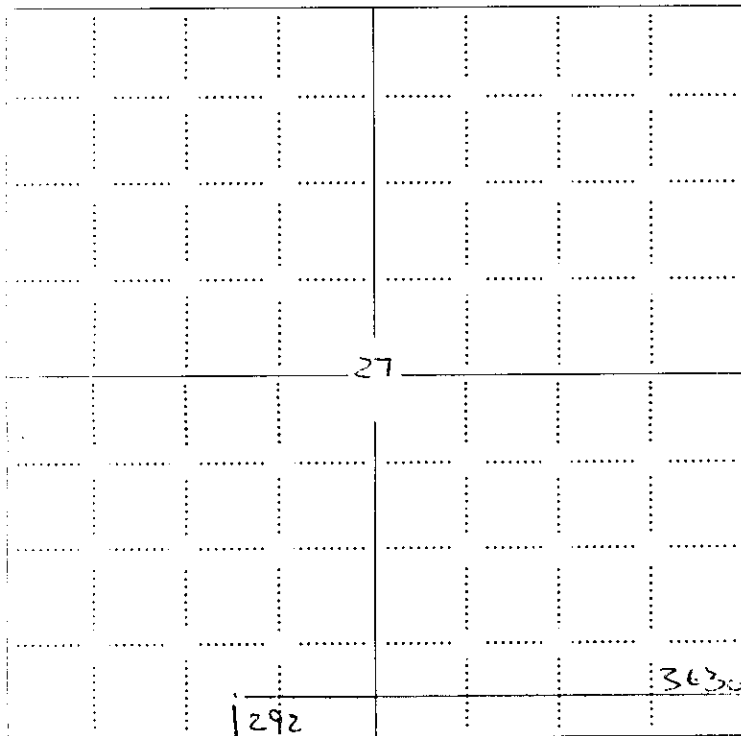
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: C - Sw - Se - Sw

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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CONSERVATION DIVISION
WICHITA, KS

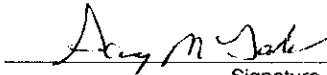
In plotting the proposed location of the well, you must show:

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).

**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: Ponderosa Witching, LLC		License Number: 34057	
Operator Address: 110 A Spring Creek		Waco TX 76705	
Contact Person: Craig Epp		Phone Number: (254) 799-5261	
Lease Name & Well No.: Epp No. 2		Pit Location (QQQQ): Sw Sw Se Sw Sec. <u>27</u> Twp. <u>29</u> R. <u>15</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>292</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>3,630</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Pratt County	
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 AD Supply API No. or Year Drilled)</small>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 4,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		How is the pit lined if a plastic liner is not used?	
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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.	
		RECEIVED KANSAS CORPORATION COMMISSION SEP 17 2009 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit: _____ feet Depth of water well <u>80</u> feet		Depth to shallowest fresh water <u>80</u> feet. <input checked="" type="checkbox"/> WICHITA, KS 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: Primary Formation: _____ Number of producing wells on lease: _____ Amount of fluid produced daily: _____ Do the pits 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: <u>Bentonite Drilling Mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Haul off free fluids, allow to dry, then backfill</u> 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.			
09/15/09 Date		 Signature of Applicant or Agent	

15-151-22342-00-00

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input checked="" type="checkbox"/>
Received: <u>9/17/09</u>	Permit Number: _____	Permit Date: <u>9/17/09</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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

PWS 4213' S656NG 34-29-15W



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

September 17, 2009

Craig Epp
Ponderosa Witching, LLC
110 A Spring Creek
Waco TX 76705

Re: Drilling Pit Application
Epp Lease Well No. 2
SW/4 27-29S-15W
Pratt County, Kansas

Dear Mr. Epp:

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

District staff has recommended that the reserve pit be kept to the north, out of the draw. The reserve be shall be lined with bentonite or native clay, 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 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 (316) 630-4000 when the fluids have been removed. 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.ks.gov/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,

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Jeff Klock
File