

For KCC Use: 10-19-2009
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: 10-12-2009
month day year

OPERATOR: License# 33858
Name: J & J Operating, LLC
Address 1: 10380 W. 179th street
Address 2:
City: Bucyrus State: ks Zip: 66013 +
Contact Person: John Loeffelbein
Phone: 913-709-0219
CONTRACTOR: License# 32834
Name: JTC Oil, Inc.

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: SW NE Sec. 31 Twp. 13 S. R. 21 ☒ E ☐ W
(0000) 1,980 feet from ☒ N / ☐ S Line of Section
2,610 feet from ☒ E / ☒ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

County: Douglas

Lease Name: Kelco Well #: 1-2

Field Name:

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Squirell

Nearest Lease or unit boundary line (in footage): 30 feet

Ground Surface Elevation: est 978 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: 150

Depth to bottom of usable water: 280

Surface Pipe by Alternate: ☐ I ☒ II

Length of Surface Pipe Planned to be set: 40 feet

Length of Conductor Pipe (if any):

Projected Total Depth: 750 Feet

Formation at Total Depth: Squirell

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: 10/12/09 Signature of Operator or Agent: [Signature] Title: 10/12/09

For KCC Use ONLY

API # 15 - 045-21599-0000
Conductor pipe required None feet
Minimum surface pipe required 40 feet per ALT. ☐ I ☒ II
Approved by: [Signature] 10-14-2009
This authorization expires: 10-14-2010
(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:

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

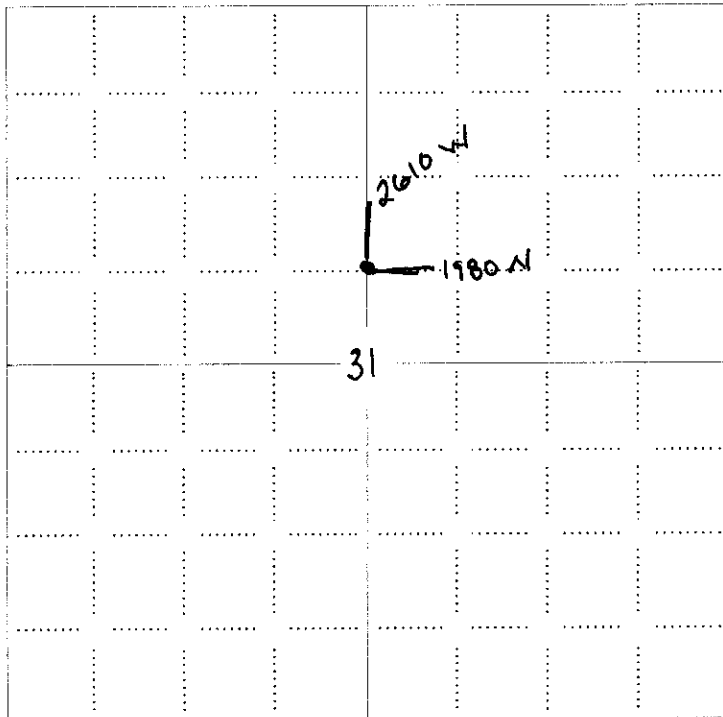
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW*Plat of acreage attributable to a well in a prorated or spaced field*

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 - 045-21599-0000Operator: J & J OperatingLease: KelcoWell Number: I-2

Field: _____

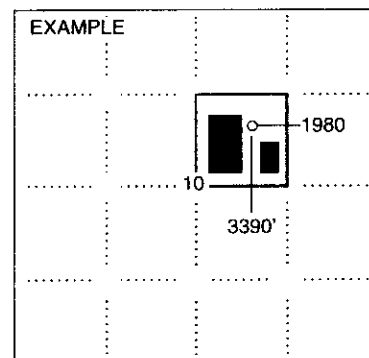
Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: SE - NW - SW - NEW2 W2Location of Well: County: Douglas1,980 feet from ☒ N / ☐ S Line of Section2,610 feet from ☒ E / ☒ W Line of SectionSec. 31 Twp. 13 S. R. 21 ☒ E ☐ WIs 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.**

RECEIVED

JUL 14 2009

KCC WICHITA



SEWARD CO.

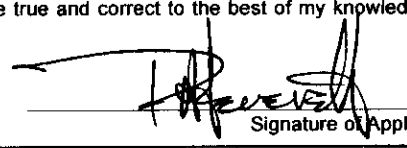
In plotting the proposed location of the well, you must show:

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: J & J Operating		License Number: 33858	
Operator Address: 10380 W. 179th street		Bucyrus ks 66013	
Contact Person: John Loeffelbein		Phone Number: 913-709-0219	
Lease Name & Well No.: Kelco I-2		Pit Location (QQQQ): <u>W2</u> <u>W2</u> SE NW SW NE Sec. <u>31</u> Twp. <u>13</u> R. <u>21</u> ☒ East ☐ West <u>1,980</u> Feet from ☒ North / ☐ South Line of Section <u>2,610</u> Feet from ☒ East / ☒ West Line of Section Douglas County	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: <u>120</u> (bbls)		
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used? <u>Clay</u>	
Pit dimensions (all but working pits): <u>10</u> Length (feet) <u>5</u> Width (feet)		☐ N/A: Steel Pits	
Depth from ground level to deepest point: <u>4</u> (feet)		☐ 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 <u>314</u> feet Depth of water well <u>135</u> feet		Depth to shallowest fresh water <u>80</u> feet. Source of information: ☐ measured ☐ well owner ☐ electric log ☒ 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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>Drilling Mud</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Air and Back Fill</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. <u>10-12-2009</u> Date  Signature of Applicant or Agent 15-04521599-00-00 RECEIVED OCT 14 2009 KCC WICHITA			
KCC OFFICE USE ONLY Date Received: <u>10/14/09</u> Permit Number: _____ Permit Date: <u>10/14/09</u> Lease Inspection: ☐ Yes ☒ No Steel Pit ☐ RFAC ☐ RFAS ☐			

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



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.