

* Gas Storage Area - *
Blowout Preventer Required

* within boundaries of Liberty South Gas Storage Field *

* Gas Storage Area - *
Blowout Preventer Required

For KCC Use:
Effective Date: 12-13-2009
District # 3
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

* In Atmos Storage field *

Expected Spud Date: 12-14-09
month day year

OPERATOR: License# 32887
Name: Endeavor Energy Resources, LP
Address 1: PO Box 40
Address 2:
City: Delaware State: OK Zip: 74027
Contact Person: Joe Driskill
Phone: 918-467-3111

CONTRACTOR: License# 33072
Name: Well Refined Drilling

Spot Description:
_____ NW SE Sec. 4 Twp. 34 S. R. 17 E W
(a/a/a/a) 1,980 feet from N / S Line of Section
1,980 feet from E / W Line of Section
Is SECTION: Regular Irregular?

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

County: Montgomery
Lease Name: DeTar Well #: 4-2
Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Weir Coal

Nearest Lease or unit boundary line (in footage): 660
Ground Surface Elevation: 756 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: 45'

Length of Conductor Pipe (if any): none
Projected Total Depth: 1000'
Formation at Total Depth: Mississippi

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: _____

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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: 12-4-09 Signature of Operator or Agent: Joe Driskill Title: Operations Superintendent

For KCC Use ONLY

API # 15 - 125-31916-00-00

Conductor pipe required None feet

Minimum surface pipe required 20 feet per ALT. I II

Approved by: Jan 12-8-2009

This authorization expires: 12-8-2010
(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: _____

4
34
17
 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 - 125-31916-00-00

Operator: Endeavor Energy Resources, LP

Lease: DeTar

Well Number: 4-2

Field: Cherokee Basin Coal Area

Number of Acres attributable to well: 80

QTR/QTR/QTR/QTR of acreage: _____ - _____ - NW - SE

Location of Well: County: Montgomery

1,980 feet from N / S Line of Section

1,980 feet from E / W Line of Section

Sec. 4 Twp. 34 S. R. 17 E W

Is Section: Regular or Irregular

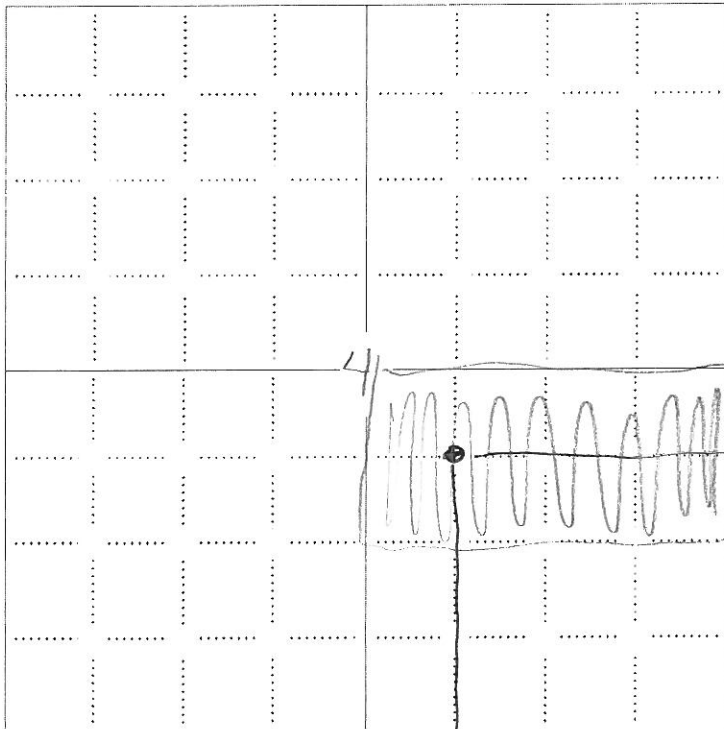
If Section is Irregular, locate well from nearest corner boundary.

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.

1980

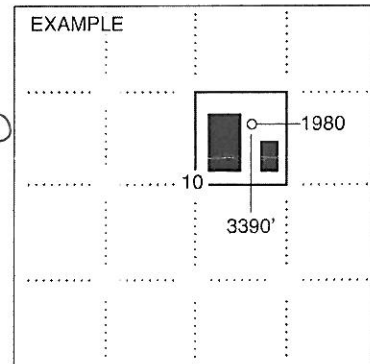
In plotting the proposed location of the well, you must show:

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: (C0-7 for oil wells; CG-8 for gas wells).

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SEWARD CO.

**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: Endeavor Energy Resources, LP		License Number: 32887	
Operator Address: PO Box 40		Delaware OK 74027	
Contact Person: Joe Driskill		Phone Number: 918-467-3111	
Lease Name & Well No.: DeTar 4-2		Pit Location (QQQQ): _____ - _____ - NW - SE Sec. <u>4</u> Twp. <u>34</u> R. <u>17</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>1,980</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1,980</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Montgomery 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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ 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 <i>(For Emergency Pits and Settling 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? natural clay / eargh			
Pit dimensions (all but working pits): <u>30</u> Length (feet) <u>10</u> Width (feet)		<input type="checkbox"/> N/A: Steel Pits	
Depth from ground level to deepest point: <u>6</u> (feet)		<input type="checkbox"/> No Pit	
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NA		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA	
Distance to nearest water well within one-mile of pit <u>NA</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input checked="" type="checkbox"/> electric log <input 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: <u>mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>haul off and dispose</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.			
_____ 12-4-09 Date		_____ Signature of Applicant or Agent	
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KCC OFFICE USE ONLY			
Date Received: <u>12-7-09</u>		Permit Number: _____ Permit Date: <u>12-7-09</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Steel Pit <input type="checkbox"/>		RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>	

15-125-31916-0000

15-125-31916-00-00

protective covenants for Atmos

From: "Shatas, Douglas L." <Doug.Shatas@atmosenergy.com> View Contact
To: okgasoffice@yahoo.com
0204_001.pdf (75KB)

Thu December 3 2009 12:02:57 PM

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6. Protective Covenants. The parties acknowledge that due care and caution must be exercised in drilling and conducting oil and/or gas production operations formations under the gas storage zone. During the term of Lessees oil and gas lease rights, and thereafter should drilling or production operations be conducted by the Lessor, successors, assigns, or subsequent lessees, the party undertaking such operations (Operator) shall perform the following acts:

- a. Deliver to Lessee a copy of Kansas Notice of Intent to Drill no less than five (5) days prior to commencement of drilling operations and to indicate proposed depth and zones of interest;
- b. Drill with chemical mud only. Exceptions, outside the active part of the storage field, only with the written permission of Lessee;
- c. To not drill any well within 400 feet of gas storage wells of Lessee;
- d. To grant free access to Lessee to the well site and the drilling platform during the conduct of any operations for the purpose of inspections;
- * e. To immediately install and use a blow out preventer upon the surface pipe before drilling below the surface casing;
- f. To supply daily drilling and progress reports to Lessee;
- g. To run open hole compensated density and induction electrical logs on all wells drilled and provide copies to Lessee.
- h. To take ten foot drill cutting samples from 200 feet to total depth.
- i. If requested by Lessee to take a core from the gas storage reservoir, the Squirrel Sand, at Lessee's expense.
- j. If in testing for oil or gas the gas storage zone is penetrated, to set production casing of not less than 4 1/2 inches diameter to a depth not less than 50 feet below the base of the Squirrel Sand, and circulate cement to the surface or plug the well within 24 hours by placing a continuous cement plug from total depth to surface.
- k. During completion, to place centralizers on the production casing straddling the Squirrel Sand to ensure an even cement sheath over the gas storage reservoir.
- l. To run a cement bond log on all wells completed to verify the integrity of the cement bond particularly in the vicinity of the gas storage reservoir. Supply a copy of the cement bond log to lessee.

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m. To provide lessee with copies of the drilling permit, drillers log, open and cased hole logs, geology reports, gas analyses, core reports, Kansas Corporation Commission completion report and any other pertinent information where applicable.

n. To notify lessee at its Independence, Kansas office three (3) days in advance of commencing well completion or workover operations of any sort as well as the methods to be employed therein; to also furnish lessee a copy of Kansas Notice of Intent to Abandon Well five (5) days in advance of commencing plugging operations, unless well is plugged within 24 hrs. of reaching total depth, and, subsequent to plugging, furnish lessee a copy of Affidavit of Plugging.

o. To provide lessee the option to take possession of, at operators salvage value, any abandoned well or wells.

p. To not complete any wells in the gas storage reservoir, the Squirrel Sand.

q. If a well is completed for gas production, provide lessee, prior to gas sales, a copy of the gas analysis, shut-in pressure, gas flow test and perforation intervals.

r. To shut-in and squeeze or plug to the satisfaction of lessee, any wells that are proven to be in direct communication with the storage formation.

s. To furnish lessee, upon request, all drilling samples, cores, or other cuttings, and copies of all reports of analyses thereof and copies of all drillstem or production test reports

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15725-31916-0000

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KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

November 24, 2009

Joe Driskill
Endeavor Energy Resources, LP
PO Box 40
Delaware, OK 74027

Re: Notice of Intent to Drill
DeTar 4-2
NW SE Sec. 4-T34S-R17E
Montgomery County, Kansas

Dear Mr. Driskill:

After reviewing your intent to drill, it was noted that the location falls within the boundaries of the Liberty South gas storage field operated by Atmos Energy. Please refer to K.A.R.82-3-311 of the KCC rules and regulations, which outlines the procedure to be used for wells to be drilled in underground gas storage areas. Please review this regulation and take the appropriate steps as outlined in the regulation. Doug Shatas with Atmos Energy may be contacted at 913-464-0531 regarding Atmos Energy's requirements for drilling in the gas storage field.

I may be contacted at 316-337-6200 if you need additional information.

Sincerely,



Rick Hestermann
Production Department