

For KCC Use: 2-16-2010
Effective Date: 2-16-2010
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
CORRECTED
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: February 22nd 2010
month day year

OPERATOR: License# 5614
Name: Hutchinson Oil Co.
Address 1: P.O. Box 521
Address 2:
City: Derby State: KS Zip: 67037 +0521
Contact Person: Steve Hutchinson
Phone: 316-788-5440

CONTRACTOR: License# 34233
Name: Maverick Drilling, LLC

Spot Description: _____
NW - NE - SE Sec. 21 Twp. 22 S. R. 11 E W
2300 feet from N / S Line of Section
1110 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Stafford
Lease Name: Sleeper Well # 21-2
Field Name: Sleeper

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): LKC/SIMPSON/ARBUCKLE

Nearest Lease or unit boundary line (in footage): 340' 330'

Ground Surface Elevation: 1806' est. 1810' 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: 160'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 300'

Length of Conductor Pipe (if any): N/A

Projected Total Depth: 3700'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

Well Farm Pond Other: to be drilled

DWR Permit #: (applied for)

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Well Drilled For: Oil Enh Rec Gas
 Storage Disposal
 Seismic; # of Holes _____
 Other: _____

Well Class: Infield Pool Ext. Wildcat Other
 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 #: _____

* WAS: 2300' FSL; 1190' FEL - NLUB 340'; Elev. 1806
IS: 2310' FSL; 1110 FEL. NLUB: 330; Elev. 1810

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: 2/8/2010 Signature of Operator or Agent: [Signature] Title: Owner/Operator

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: _____

For KCC Use ONLY

API # 15 - 185-23608-00-00

Conductor pipe required None feet

Minimum surface pipe required 200 feet per ALT. I II

Approved by: [Signature] 2-11-2010 / [Signature] 2-18-2010

This authorization expires: 2-11-2011

(This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

RECEIVED

FEB 10 2010

KCC WICHITA

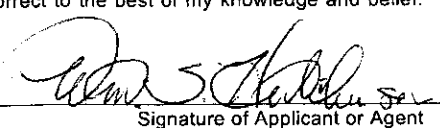
21-22-11
 E W

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

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Correction

Operator Name: Hutchinson Oil Co.		License Number: 5614	
Operator Address: P.O. Box 521 - Derby, KS 67037-0521			
Contact Person: Steve Hutchinson		Phone Number: (316) 788 - 5440	
Lease Name & Well No.: Sleeper # 21-2		Pit Location (QQQQ): <u>NO PIT</u> _____ - <u>NW</u> - <u>NE</u> - <u>SE</u>	
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 (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>4,000</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? Benonite and Solids from Drilling Operations.			
Pit dimensions (all but working pits): <u>75</u> Length (feet) <u>75</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet)			
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>680</u> feet Depth of water well <u>60</u> feet		Depth to shallowest fresh water <u>16</u> feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> RDWR	
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>fresh wtr., gel & mud</u> Number of working pits to be utilized: <u>(3)</u> Abandonment procedure: <u>Pull all free fluids, allow to evaporate until dry, then backfill as conditions allow.</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>2/8/2010</u> Date		 Signature of Applicant or Agent	

CORRECTED

KCC OFFICE USE ONLY

Steel

Date Received: 2-17-10 Permit Number: _____ Permit Date: 2-18-10 Lease Inspection: Yes No



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

February 18, 2010

Hutchinson Oil Co.
PO Box 521
Derby, KS 67037-0521

RE: Drilling Pit Application
Sleeper Lease Well No. 21-2
SE/4 Sec. 21-22S-11W
Stafford County, Kansas

Dear Sir or Madam:

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

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. 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.state.ks.us/conservation/forms.

Sincerely,

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

Kathy Haynes

Environmental Protection and Remediation Department

Cc: File

CONSERVATION DIVISION

Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax: (316) 337-6211 • <http://kcc.ks.gov/>

**HAUL-OFF PIT APPLICATION
FILING REQUIREMENTS**

82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
 - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
 - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
 - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
 - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
 - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
 - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

Complete and return with Haul-Off Pit Application, Form CDP1(2004)

Haul-off pit will be located in an on-site disposal area: Yes No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:
Yes No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator: s No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.