

For KCC Use: 2-27-2010
Effective Date: _____
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: APRIL 1, 2010
month day year

OPERATOR: License# 6006
Name: MOLZ OIL COMPANY
Address 1: 19159 SW CLAIRMONT
Address 2: _____
City: KIOWA State: KS Zip: 67070 + _____
Contact Person: JIM MOLZ
Phone: 620-296-4558
CONTRACTOR: License# 33902
Name: HARDT DRILLING LLC

Well Drilled For: Oil Gas Enh Rec 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: SE SW SE SW
SE SW SE SW Sec. 31 Twp. 34 S. R. 11 E W
(000/0) 226 feet from N / S Line of Section
3,430 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

Lease Name: MOLZ Well #: 14
Field Name: STRANATHAN

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): MISSISSIPPI

Nearest Lease or unit boundary line (in footage): 226'

Ground Surface Elevation: 1350 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: 180'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 600

Length of Conductor Pipe (if any): NA

Projected Total Depth: 5600

Formation at Total Depth: SIMPSON

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

DWR Permit #: _____

(Note: Apply for Permit with DWR) Yes No

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: 02/17/2010 Signature of Operator or Agent: Judy Cowan Title: SECRETARY

For KCC Use ONLY
API # 15 - 007-23512-00-00
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT I II
Approved by: Jim 2-22-2010
This authorization expires: 2-22-2011
(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: _____

RECEIVED

FEB 19 2010

KCC WICHITA

31 34 11 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 - 007-23512-00-00
 Operator: MOLZ OIL COMPANY
 Lease: MOLZ
 Well Number: 14
 Field: STRANATHAN

Location of Well: County: BARBER
226 feet from N / S Line of Section
3,430 feet from E / W Line of Section
 Sec. 31 Twp. 34 S. R. 11 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - S/2 - SW - SE

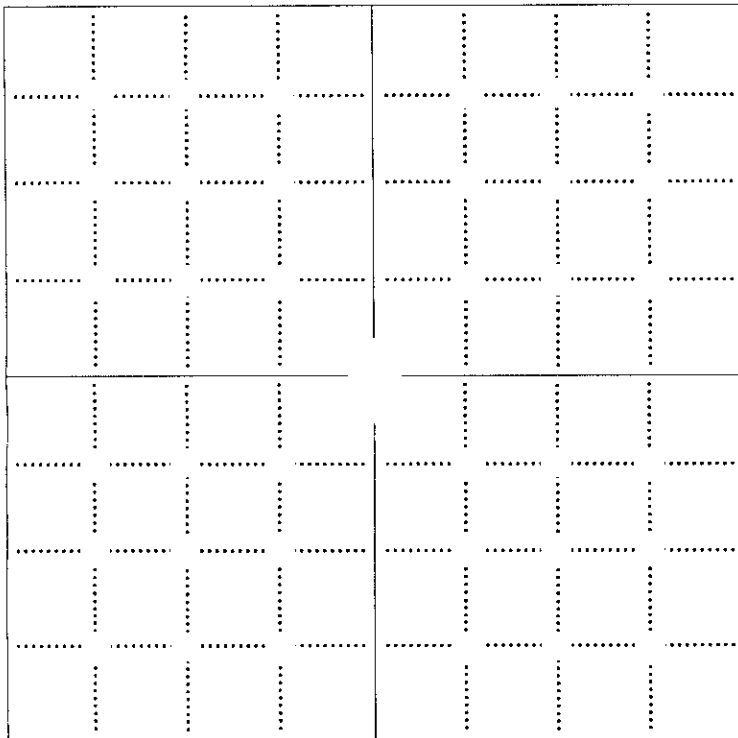
Is Section: Regular or Irregular

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

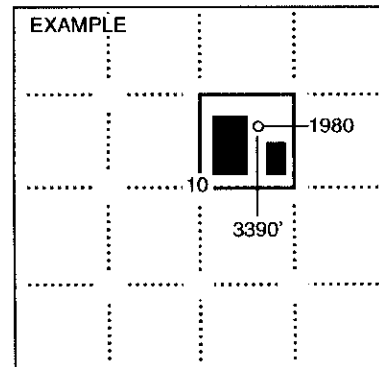
Section corner used: NE NW SE SW

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.)*



RECEIVED
 FEB 19 2010
 KCC WICHITA



NOTE: In all cases locate the spot of the proposed drilling location.

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).

RECEIVED

FEB 19 2010

KCC WICHITA

ADVANTAGE ELEVATIONS

OIL FIELD SURVEYORS

BOX 8604 - PRATT, KS 67124
(620) 672-6491

22106

INVOICE NO.

15-007-23512-00-00

MOLZ OIL COMPANY
OPERATOR

14
NO.

Molz

FARM

Barber COUNTY 31 S 34s T 11w R

226' FSL & 3430' FEL
LOCATION

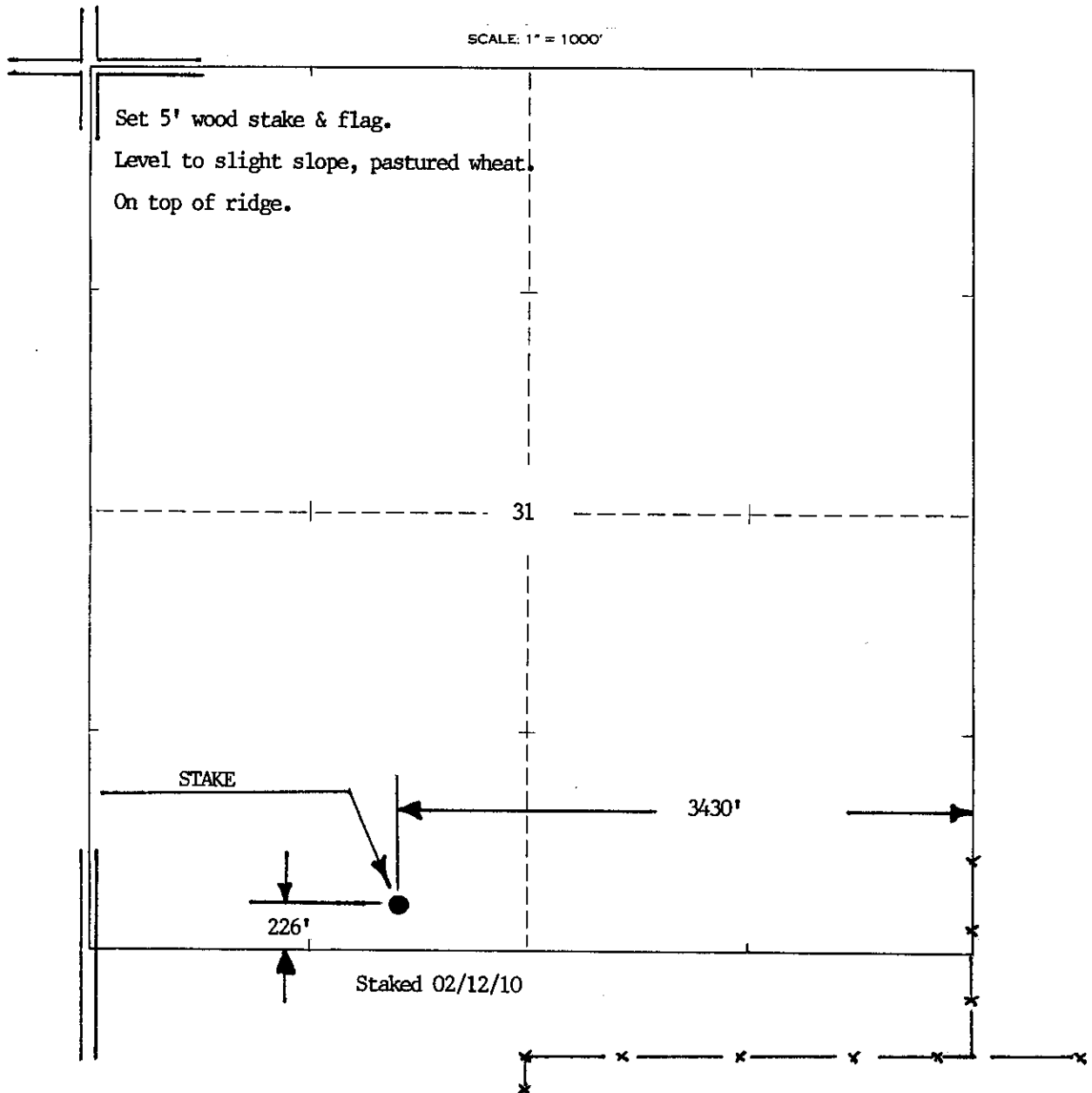
ELEVATION: 1350' gr



MOLZ OIL COMPANY
19159 SW Clairmont
Kiowa KS 67070-8801

AUTHORIZED BY: Jim

SCALE: 1" = 1000'



MOLZ OIL CO., INC.

19159 SW CLAIRMONT

KIOWA, KANSAS 67070

Phone 620-296-4558

Fax 620-296-4558

E-mail: molzoil@kanokla.net

15-007-23512-0000

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

RECEIVED

FEB 19 2010

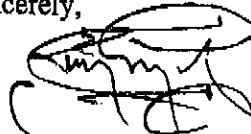
KCC WICHITA

Attn: Rick Hestermann

Gentlemen:

This is in reference to the Molz #12 and the Molz #14 Intent to Drill forms. The land that is adjacent to the lease line is also owned by me, Jim Molz.

Sincerely,



Jim Molz, land owner

Jim Molz, President, Molz Oil Company

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: MOLZ OIL COMPANY | | License Number: 6006 | |
| Operator Address: 19159 SW CLAIRMONT | | KIOWA KS 67070 | |
| Contact Person: JIM MOLZ | | Phone Number: 620-296-4558 | |
| Lease Name & Well No.: MOLZ 14 | | Pit Location (QQQQ): <u>SE - SW - SE - SW</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 <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: 600 (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? DRILLING MUD | | | |
| Pit dimensions (all but working pits): <u>125</u> Length (feet) <u>125</u> Width (feet) | | <input type="checkbox"/> N/A: Steel Pits | |
| Depth from ground level to deepest point: <u>5</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. | |
| Distance to nearest water well within one-mile of pit <u>5264</u> feet Depth of water well <u>122</u> feet | | Depth to shallowest fresh water <u>60</u> 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: <u>DRILLING MUD</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>HAUL OFF TO SW DISPOSAL</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. | | RECEIVED FEB 19 2010 KCC WICHITA | |
| _____ Date: <u>02/17/2010</u> | | _____ Signature of Applicant or Agent | |
| KCC OFFICE USE ONLY | | | |
| Date Received: <u>2-19-10</u> | | Permit Number: _____ Permit Date: <u>2-22-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |

15-007-23512-00-00



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

March 1, 2010

Molz Oil Company
19159 SW Clairmont
Kiowa, KS 67070

RE: Drilling Pit Application
Molz Lease Well No. 14
SW/4 Sec. 31-34S-11W
Barber 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 after drilling operations have ceased. **Keep pits on west side of stake.**

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,

Kathy Haynes
Department of Environmental Protection and Remediation

cc: File

15-007-23512

**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.