

MAR 15 2010

For KCC Use: **3-20-2010**
Effective Date: **3-20-2010**
District # **4** CONSERVATION DIVISION
WICHITA, KS
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: APRIL 14 2010
month day year

OPERATOR: License# 33964 ✓
Name: PROLIFIC RESOURCES, LLC
Address 1: 2725 DRY CREEK ROAD
Address 2: _____
City: GREAT BEND State: KS Zip: 67530 + _____
Contact Person: DARRELL WILLINGER
Phone: 620-793-2258

CONTRACTOR: License# 33323 ✓
Name: PETROMARK 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: 190 FEET NORTH & 109 FEET WEST OF:
C SE SE SE Sec. 35 Twp. 19 S. R. 11 ☐ E ☒ W
(000000) 520 feet from ☐ N / ☒ S Line of Section
439 feet from ☒ E / ☐ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

County: BARTON
Lease Name: PANNING "B" Well #: 2
Field Name: CHASE-SILICA ✓
Is this a Prorated / Spaced Field? ☐ Yes ☒ No
Target Formation(s): ARBUCKLE

Nearest Lease or unit boundary line (in footage): 439 FEET TO THE EAST ✓
Ground Surface Elevation: 1765 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: 90 FEET
Depth to bottom of usable water: 230 FEET

Surface Pipe by Alternate: ☒ I ☐ II ✓
Length of Surface Pipe Planned to be set: 250 FEET ✓
Length of Conductor Pipe (if any): NONE

Projected Total Depth: 3500 FEET ✓
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: _____

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: 3/13/2010 Signature of Operator or Agent: [Signature] Title: AGENT

For KCC Use ONLY

API # 15 - 009-25403-00-00
Conductor pipe required None feet
Minimum surface pipe required 250 feet per ALT. ☒ I ☐ II
Approved by: [Signature] 3-15-2010
This authorization expires: 3-15-2011
(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: _____

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 - 009-25403-0000
 Operator: PROLIFIC RESOURCES, LLC
 Lease: PANNING "B"
 Well Number: 2
 Field: CHASE-SILICA

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

Location of Well: County: BARTON
 520 feet from ☐ N / ☒ S Line of Section
 439 feet from ☒ E / ☐ W Line of Section
 Sec. 35 Twp. 19 S. R. 11 ☐ E ☒ W

Is Section: ☒ Regular or ☐ Irregular

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

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

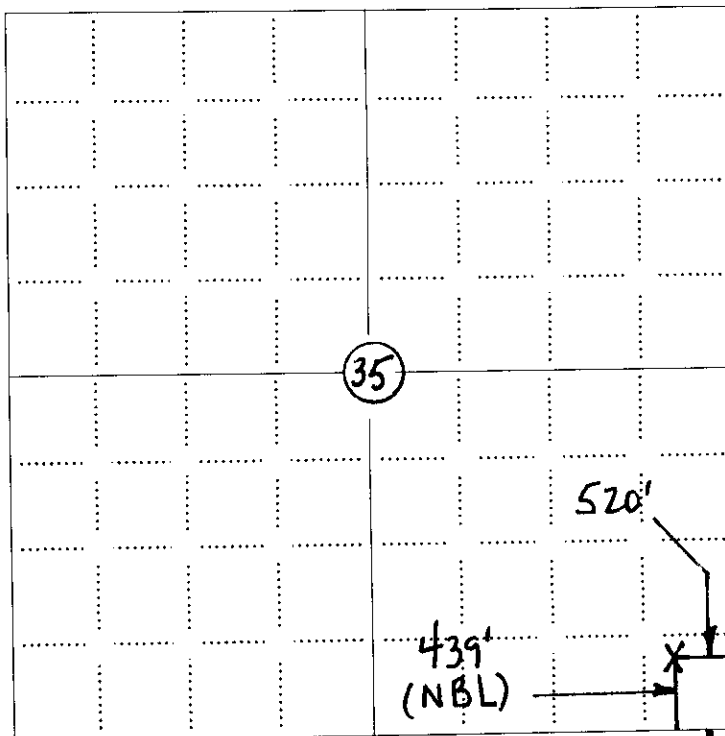
RECEIVED
 KANSAS CORPORATION COMMISSION

MAR 15 2010

CONSERVATION DIVISION
 WICHITA, KS

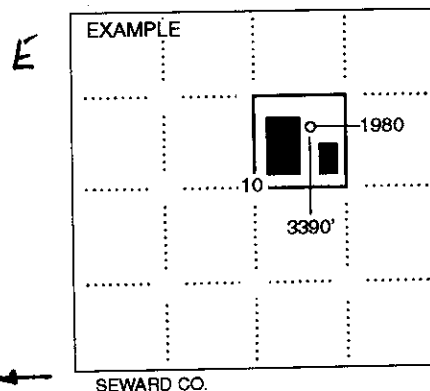
PLAT

(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.

S



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).

PROLIFIC RESOURCES, LLC
PANNING LEASE
SE. 1/4, SECTION 35, T19S, R11W
BARTON COUNTY, KANSAS

15-009-25403-0000

GRAVEL (E. BARTON COUNTY ROAD) ROAD

Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N. & S. lines and N. 1/2 of E. line. Sec. 35.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 35.
6. Contact landowner for best access.
7. Location fell 40' north of a lease road, no alternate set.

ROAD

(SE. 140 AVE.)

GRAVEL

35

Drillsite Location
 Panning "B" #2

520' FSL 439' FEL

Ground Elevation = 1765

Y = 612483 X = 2000084

State Plane-NAD 27-Kansas South
 (Mapping Grade GPS Used)

RAILROAD

ALFALFA

PANK BATTERY

PANNING "B" #1
 1765

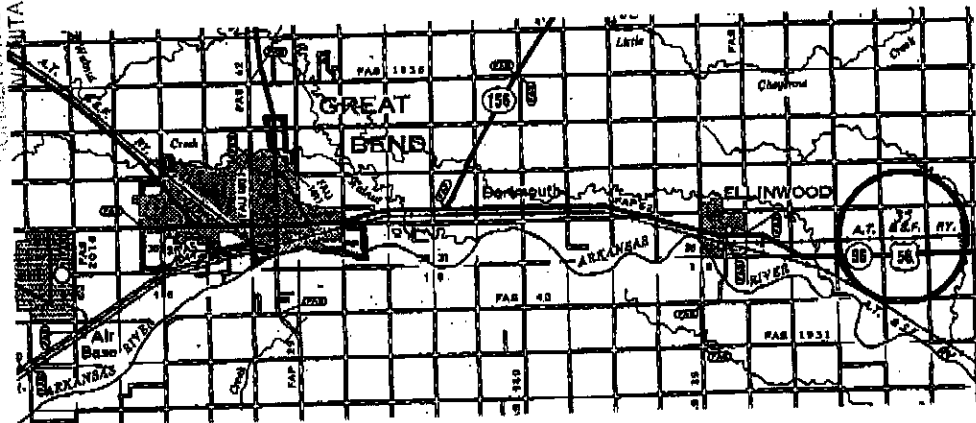
ROAD

(SE. 150 AVE.)

GRAVEL

HIGHWAY

56-98



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CONSERVATION DIVISION
 MINNUTA, KS

- Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
- Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator assuming this service and accepting this plot and all other services relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from negligent or consequential damages.
- Elevations derived from National Geodetic Vertical Datum.

Date March 11, 2010

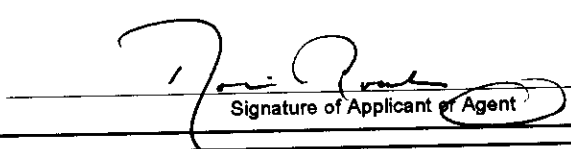
CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

MAR 15 2010

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: PROLIFIC RESOURCES, LLC		License Number: 33964	
Operator Address: 2725 DRY CREEK ROAD		GREAT BEND KS 67530	
Contact Person: DARRELL WILLINGER		Phone Number: 620-793-2258	
Lease Name & Well No.: PANNING "B" 2		Pit Location (QQQQ): 190' N & 109' W of: C SE SE SE	
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: 3,500 (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	
How is the pit lined if a plastic liner is not used? BENTONITE GEL/DRILLING MUD			
Pit dimensions (all but working pits): 70 Length (feet) 70 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. N/A		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit 218 feet Depth of water well 60 feet		Depth to shallowest fresh water 21 feet. 6 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: BENTONITE MUD/CUTTINGS Number of working pits to be utilized: 3 Abandonment procedure: JET REMAINING FLUIDS IN RESERVE PIT, EVAPORATE, BACKFILL WITH DOZER. 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.			
MARCH 13, 2010 Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: 3/15/10 Permit Number: _____ Permit Date: 3/15/10 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-009-25403-0000



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

March 15, 2010

Darrell Willinger
Prolific Resources, LLC
2725 Dry Creek Road
Great Bend KS 67530

Re: Drilling Pit Application
Panning B Lease Well No. 2
SE/4 35-19S-11W
Barton County, Kansas

Dear Mr. Willinger:

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 practical 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 (785) 625-0550 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: <http://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