

For KCC Use: 4-19-2010
 Effective Date: _____
 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
 December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

Expected Spud Date 4/23/10
 month day year

Spot East West
 SW NE - NW - NE Sec. 16 Twp. 20 S. R. 20

OPERATOR: License# 6168 ✓
 Name: Lester Scheuneman
 Address: 27800 Pleasant Valley Rd.
 City/State/Zip: Wellsville Ks. 66092
 Contact Person: Lester Scheuneman
 Phone: 913-710-9760

4692 feet from N / S Line of Section
1725 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Anderson
 Lease Name: Peine Well #: 1

CONTRACTOR: License# unknown *Must be licensed by KCC*
 Name: will notify when known Advise on ACO-1

Field Name: Unnamed Garnett Shoestring
 Is this a Prorated / Spaced Field? Yes No

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil <input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas <input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO <input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> Other		

Target Formation(s): Squirrel
 Nearest Lease or unit boundary: 405

Ground Surface Elevation: act 1025 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: 50 none

Depth to bottom of usable water: 125 none

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe required: _____

Projected Total Depth: 700

Formation at Total Depth: Squirrel 680

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: _____

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 #: _____

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 to the best of my knowledge and belief.

Date: 4/11/10 Signature of Operator or Agent: Lester Scheuneman Title: owner/operator

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 APR 14 2010
 KCC WICHITA

For KCC Use ONLY
 API # 15 - 003-24780-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per Alt. **XO 2**
 Approved by: RWS 4-14-2010
 This authorization expires: 4-14-2011
 (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;
- 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
 Signature of Operator or Agent: _____
 Date: _____

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

16-20-2010

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 - 003-24780-00-00
 Operator: Lester Scheuneman
 Lease: Peine
 Well Number: 1
 Field: Garnett Shoestring
 Number of Acres attributable to well: 120
 QTR / QTR / QTR of acreage: NE NW NE

Location of Well: County: Anderson
4692 feet from N / S Line of Section
1725 feet from E / W Line of Section
 Sec. 16 Twp. 20 S. R. 20 East West

Is Section: Regular or Irregular

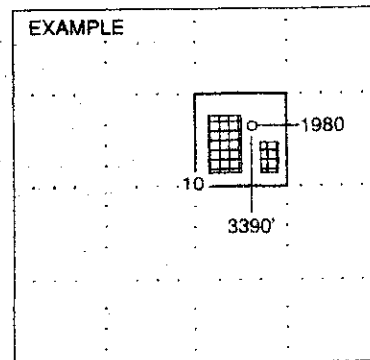
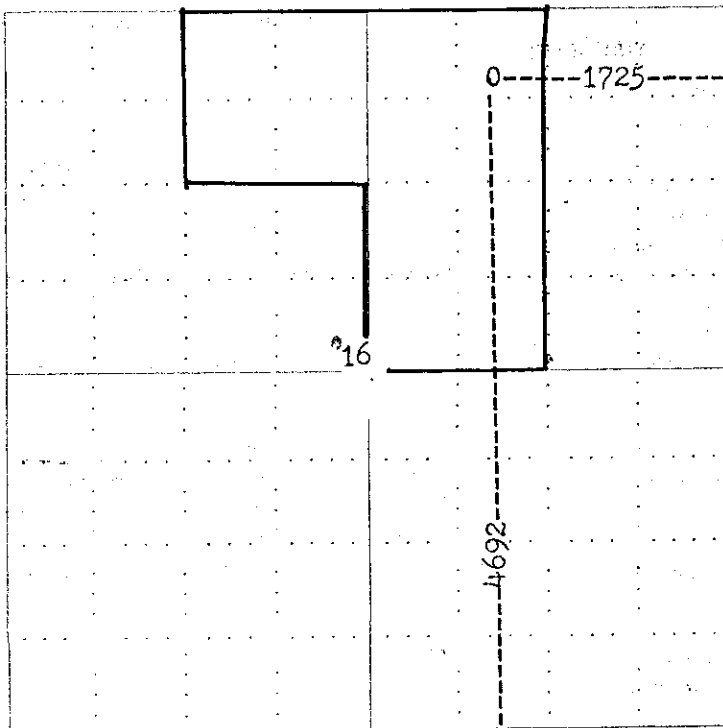
If Section is Irregular, locate well from nearest corner boundary.

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.)



SEWARD CO.

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

Anderson 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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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: <u>Lester Scheuneman</u>		License Number:
Operator Address: <u>27800 Pleasant Valley Rd. Wellsville Ks. 66092</u>		
Contact Person: <u>Lester Scheuneman</u>		Phone Number: <u>(913) 710-9760</u>
Lease Name & Well No.: <u>Peine 1</u>		Pit Location (QQQQ): <u>SW NE NW NE</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: <u>80</u> (bbts)	Sec. <u>16</u> Twp. <u>20</u> R. <u>20</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>4692</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1725</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Anderson</u> County
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? <u>clay</u>
Pit dimensions (all but working pits): <u>20</u> Length (feet) <u>8</u> Width (feet) <u>N/A</u> : Steel Pits Depth from ground level to deepest point: <u>3</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.
		RECEIVED APR 14 2010 KCC WICHITA
Distance to nearest water well within one-mile of pit <u>N/A</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ 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? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>fresh Water</u> Number of working pits to be utilized: <u>one</u> Abandonment procedure: <u>air dry an pushed in.</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>4/11/10</u> Date	<u>Lester Scheuneman</u> Signature of Applicant or Agent	
KCC OFFICE USE ONLY		
Date Received: <u>4-14-10</u> Permit Number: _____ Permit Date: <u>4-14-10</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-003-24780-00-00

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

KCC -- Conservation Division Forms -- 06/01/2009

Internet KCC Home Page -- <http://kcc.ks.gov>

Conservation Division Home Page -- <http://kcc.ks.gov/conservation/index.htm>

Conservation Division Forms -- <http://kcc.ks.gov/conservation/forms/index.htm>

ADOBE FILL-IN FORM ON INTERNET

FORM DATE

04/2008 ■ **Electronic Filing of KCC forms**
■ Master Electronic Filing Certificate MEFC

09/2005 ■ **General Administrative**
■ License Application OPL-1
04/2004 ■ Request for Change of Operator; Transfer of Injection or Surface Pit Permit T-1
06/2009 ■ Well Inventory OWI-1

10/2007 ■ **Well Permitting**
■ Notice of Intent to Drill C-1 *Use updated form on future filings.*
04/2004 ■ Application for Surface Pit CDP-1
12/2008 ■ Cathodic Protection Borehole Intent to Drill CB-1

10/2008 ■ **Well Completion Reports and Other Well Application**
■ Well Completion Form ACO-1
03/2009 ■ Commingling Application ACO-4
03/2009 ■ Dual Completion Report ACO-5
09/2005 ■ Well Location Exception Application Check List ACO-17
05/2009 ■ Venting-Flaring of Gas ACO-18
09/2005 ■ Extended Gas Venting Affidavit CG-3
09/2005 ■ Coalbed Natural Gas Venting Affidavit CG-4
03/2009 ■ Temporary Abandonment Application CP-111
09/2003 ■ Verified Affidavit For Vacuum Operations V-1

04/2004 ■ **Surface Pits and Waste Transfer**
■ Application for Surface Pit CDP-1
04/2004 ■ Closure of Surface Pit CDP-4
08/2008 ■ Exploration and Production Waste Transfer CDP-5

03/2009 ■ **Well Plugging Report**
■ Well Plugging Application CP-1
03/2009 ■ Well Plugging Record CP-4
08/2003 ■ Seismic Hole Affidavit

10/1996 ■ **Oil & Gas Well Testing Report**
Oil Productivity Test & GOR Report C-5
10/1996 ■ Multi-Point Back Pressure Test CG-1
07/2003 ■ One Point Stabilized Open Flow or Deliverability Test G-2

06/2008 ■ **Gas Gathering Report**
■ Gas Gathering Report GG-1
06/2007 ■ Gas Gathering Segment Report GG-1a

06/1989 ■ **Oil and Gas Producer's Report**
Summary of Oil Producers Report CO-8, CO-8A
08/2000 ■ Gas Producer/Purchaser Monthly Report CG-7, CG-7A

12/1994 ■ **Acreege Attribution and Well Spacing Report**
Oil Acreege Attribution Plat CO-7
12/1994 ■ Gas Acreege Attribution Plat CG-8

07/2006 ■ **New Pool and Certificate of Enhancement Projects (Severance Tax Exemptions) Request**
■ New Pool Determination-Discovery Allowable ACO-16
10/1999 ■ Application for Enhanced Recovery Project Certification CER-1, and
Calculation Sheet Base Production Calculation and Certification CER 1-A

07/2006 ■ **Underground Injection Control Report**
■ UIC Application U-1
11/2008 ■ Annual Report U3-C. This form is required on an annual basis due each March 1.
07/2003 ■ Notice of Injection (of commencement or termination of injection) U-5
07/2003 ■ Application to Amend Injection Order U-8
07/2003 ■ Notice to Modify Injection Order U-9

08/2003 ■ **Wireline Service**
■ Monthly Wireline Service Company Report MWSC-1