

For KCC Use:  
Effective Date: 6-1-2010  
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 07 month 12 day 2010 year

Spot Description: \_\_\_\_\_  
NW NW SE SE Sec 31 Twp 25 S. R 32  E  W  
(Q/Q/Q/Q)

OPERATOR: License # 5952 ✓  
Name: BP AMERICA PRODUCTION COMPANY  
Address: P. O. BOX 3092, RM 3.454B, WL-1  
City/State/Zip: HOUSTON, TX 77253-3092  
Contact Person: DEANN SMYERS  
Phone: (281) 366-4395

1250 feet from  N /  S Line of Section  
1250 feet from  E /  W Line of Section

Is SECTION  Regular  Irregular?

(Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License # \_\_\_\_\_  
Name: \_\_\_\_\_

County: Finney  
Lease Name: Marcer Gas Unit Well #: 3

Field Name: Hugoton - Panama  
Is this a Prorated/Spaced Field?  Yes  No

Target Formation(s): Council Grove ✓  
Nearest Lease or unit boundary: 1250 ✓

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

Ground Surface Elevation: 2879.6 feet MSL  
Water well within one-quarter mile:  Yes  No

Public water supply within one mile:  Yes  No

Depth to bottom of fresh water: 520  
Depth to bottom of usable water: 840

Surface Pipe by Alternate:  I  II  
Length of Surface Pipe Planned to be set: 860 min.

Length of Conductor pipe (if any): \_\_\_\_\_  
Projected Total Depth: 2948

Formation at Total Depth: Council Grove  
Water Source for Drilling Operations:  Well  Farm Pond  Other \_\_\_\_\_

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 # 10-CONS-174-CLDW NA 3<sup>rd</sup> well 5-26-2010

DWR Permit #: will apply if needed  
(Note: Apply for Permit with DWR )

Will Cores Be Taken?:  Yes  No  
If yes, proposed zone: \_\_\_\_\_

**PRORATED & SPACED: HUGOTON-PANOMA**

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55- 101 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: 05/12/2010 Signature of Operator or Agent: [Signature] Title: REGULATORY STAFF ASSIST.

For KCC Use ONLY  
API # 15- 055-22073-00-00  
Conductor pipe required None feet  
Minimum surface pipe required 860 feet per ALT.  I  II  
Approved by: RMS 5-27-2010  
This authorization expires: 5-27-2011  
(This authorization void if drilling not started within 12 months of effective 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 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 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- 055-22073-0000  
 Operator BP AMERICA PRODUCTION COMPANY  
 Lease Mercer Gas Unit  
 Well Number 3  
 Field Hugoton

Location of Well: County: Finney  
1250 feet from  N /  S Line of Section  
1250 feet from  E /  W Line of Section  
 Sec 31 Twp 25 S. R. 32  E  W

Number of Acres attributable to well: 640

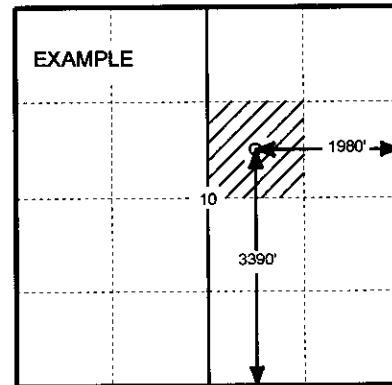
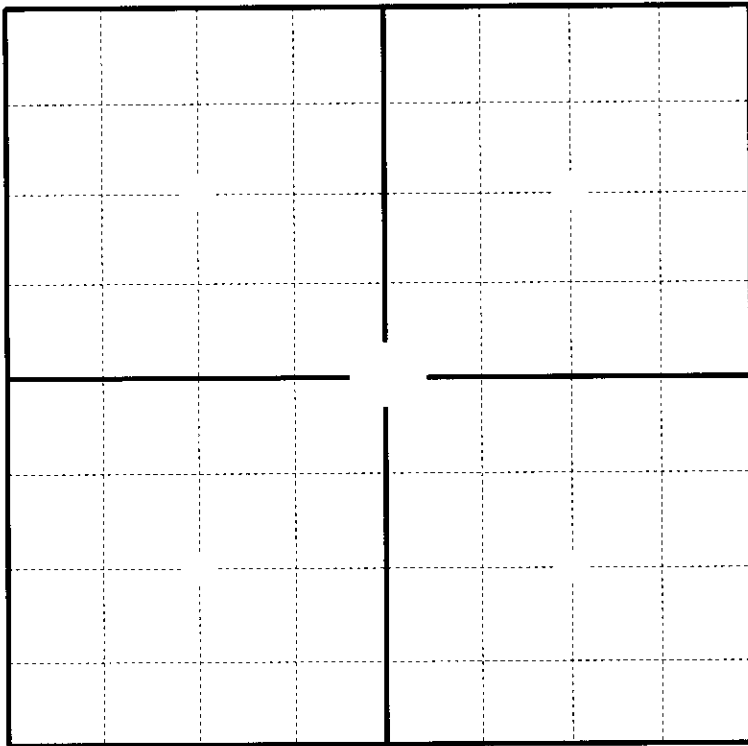
Is Section  Regular  Irregular

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

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 nearest lease or unit boundary line)*



SEWARD 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 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).

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

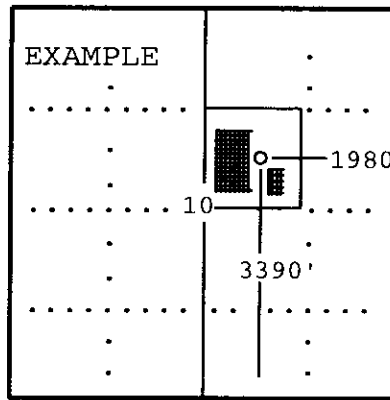
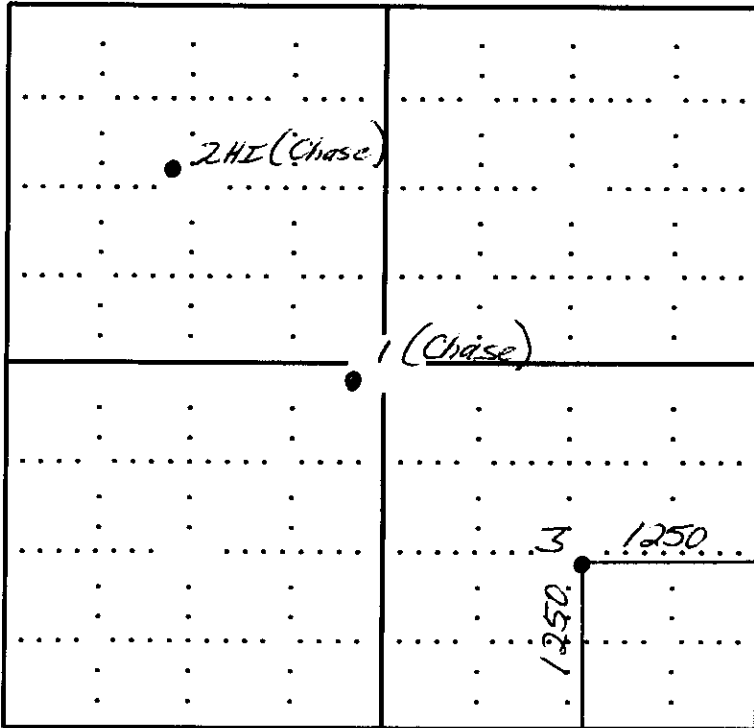
Kansas Corporation Commission, Conservation Division  
Finney State Office Building, 130 South Market, Room 2078  
Wichita, Kansas 67202

API NUMBER 15- 055-22073-00-00  
OPERATOR BP AMERICA PRODUCTION COMPANY  
LEASE MERCER GAS UNIT  
WELL NUMBER 3  
FIELD HUGOTON

LOCATION OF WELL: COUNTY FINNEY  
1250 FSL feet from south/north line of section  
1250 FEL feet from east / west line of section  
SECTION 31 TWP 25S (s) RG 32W E/W  
IS SECTION X REGULAR or \_\_\_\_\_ IRREGULAR  
IF SECTION IS IRREGULAR, LOCATE WELL FROM  
NEAREST CORNER BOUNDARY. (check line below)  
Section corner used: \_\_\_\_\_ NE \_\_\_\_\_ NW \_\_\_\_\_ SE \_\_\_\_\_ SW

NUMBER OF ACRES ATTRIBUTABLE TO WELL 639.36 ~~640~~  
QTR/QTR/QTR OF ACREAGE NW - SE - SE

(Show the location of the well and shade attributable acreage for prorated or spaced wells).  
(Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



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RECEIVED  
KANSAS CORPORATION COMMISSION  
MAY 19 2010  
CONSERVATION DIVISION  
WICHITA, KS

The undersigned hereby certifies as REGULATORY STAFF ASSISTANT (title) for

BP AMERICA PRODUCTION COMPANY

(Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature [Signature]

Subscribed and sworn to before me on this 9 day of DECEMBER, 20 09



[Signature]  
Notary Public

My Commission expires 1-11-2013

### APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: <u>BP America Production Company</u>		License Number: <u>5952</u>
Operator Address: <u>P. O. Box 3092, Houston, TX 77253-3092, Room 3.454B, WL-1</u>		
Contact Person: <u>DeAnn Snyers</u>		Phone Number: <u>(281) 366-4395</u>
Lease Name & Well No.: <u>Mercer Gas Unit #3</u>		Pit Location (QQQQ): <u>- NW - SE - 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 <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>4375</u> (bbls)	Sec. <u>31</u> Twp. <u>25S</u> R. <u>32</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1250</u> Feet from <input type="checkbox"/> North/ <input checked="" type="checkbox"/> South Line of Section <u>1250</u> Feet from <input checked="" type="checkbox"/> East/ <input type="checkbox"/> West Line of Section <u>Finney</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 pit lined if a plastic liner is not used? <u>Sealed with Bentonite from drilling fluid</u>
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>5</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. <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION MAY 19 2010 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit <u>N/A</u> <sup>92</sup> feet    Depth of water well <u>400</u> feet	Depth to shallowest fresh water <u>110</u> feet. Source of information: _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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 pond? <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover <u>Bentonite</u> Number of working pits to be utilized <u>0</u> Abandonment procedure: <u>Evaporate &amp; Backfill</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>5/12/2010</u> Date		<u>DeAnn Snyers</u> Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>5-19-10</u> Permit Number: _____ Permit Date: <u>5-19-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<u>RF96HRS</u>

15-055-22073-0000

May 19, 2010

BP America Production Company  
PO Box 3092 Rm 3.45B WL-1  
Houston, TX 77253-3092

Re: Drilling Pit Application  
Mercer Gas Unit Lease Well No. 3  
SE/4 Sec. 31-25S-32W  
Finney 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 within 96 hours of drilling completion. **Keep pits away from draws/drainage.**

**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](http://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,

A handwritten signature in black ink, appearing to read "Kathy Haynes".  
Kathy Haynes

Environmental Protection and Remediation Department

cc: File