



KANSAS CORPORATION COMMISSION 1025194
 OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
 April 2004
 Form must be Typed

Submit in Duplicate

Operator Name: Pickrell Drilling Company, Inc.		License Number: 5123	
Operator Address: 100 S MAIN STE 505		WICHITA KS 67202	
Contact Person: Della Lewis or Larry J. Richardson		Phone Number: 316-262-8427	
Lease Name & Well No.: Maple "K" 2		Pit Location (QQQQ): _____ NE _____ NE _____ SE Sec. 19 Twp. 29 R. 6 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,310 Feet from <input type="checkbox"/> North <input checked="" type="checkbox"/> South Line of Section 330 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kingman _____ County	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 11/2007 Pit capacity: 1,780 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
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 Sealer			
Pit dimensions (all but working pits): _____ 50 _____ Length (feet) _____ 50 _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ 4 _____ (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 _____ 1110 _____ feet Depth of water well _____ 50 _____ feet		Depth to shallowest fresh water _____ 18 _____ 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: Fresh _____ Number of working pits to be utilized: _____ 2 _____ Abandonment procedure: Allow to evaporate and backfill when sufficiently dry. _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: 01/05/2009	Permit Number: 15-095-22177-00-00	Permit Date: 01/07/2009	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

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 landowner 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: Yes No If yes, written permission from the landowner 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.

PICKRELL DRILLING COMPANY, INC.

100 SOUTH MAIN - SUITE 605
WICHITA, KANSAS 67202-3798
(310) 262-8427 • FAX (316) 202-0800

Consent Letter

To Whom It May Concern:

This is to certify that I give permission for Pickrell Drilling Company, Inc. (Pickrell) to dispose of the drilling fluids used in the drilling of Pickrell's Maple "K" #2 well, (CNW SE Section 30-29s-6w) into the Cox B #7 Haul Off Pit located on land that I own in the SE/4 of Section 19-29s-6w, both located in Kingman County, Kansas.

Dated this 23 day of December 2008.

by: Jon R. Coykendall
Jon R. Coykendall



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

January 07, 2009

Della Lewis or Larry J. Richardson
Pickrell Drilling Company, Inc.
100 S MAIN STE 505
WICHITA, KS67202-3738

Re: Haul-Off Pit Application
Maple "K" Lease Well No. 2
Sec.19-29S-06W
Kingman County, Kansas

Dear Della Lewis or Larry J. Richardson:

District staff has inspected the above referenced location and has determined that the Haul-Off 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 Haul-Off pit within 240 hours of completion of drilling operations.

NO completion fluids or non-exempt wastes shall be placed in the Haul-Off pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 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:
kcc.ks.gov/conservation/forms/

If you have any questions or concerns please feel free to contact the District Office at (316) 630-4000.

PICKRELL DRILLING COMPANY, INC.

100 SOUTH MAIN - SUITE 505
WICHITA, KANSAS 67202-3738
(316) 262-8427 • FAX (316) 262-0893

RECEIVED
KANSAS CORPORATION COMMISSION

December 23, 2008

DEC 30 2008

Kansas Corporation Commission
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

CONSERVATION DIVISION
WICHITA, KS

TO WHOM IT MAY CONCERN:

Please find enclosed a CDP-1 form pertaining to the Maple "K" #2 well we plan to drill. I have provided the filled in form to the KCC instead of filing it solar so that it can be included with a signed consent form from the land owner and other pertinent information required by the KCC.

Per our field representatives, Steve VanGieson & B.J. Hope with the KCC have already inspected the haul off pit for approval.

Respectfully Submitted,

PICKRELL DRILLING CO. INC.



Della Lewis

Save and Exit

Kansas Corporation Commission
Oil & Gas Conservation Division

Location Info
Instructions

(Water Wells,
Aerial Photo, Fields)

Name: Pickrell Drilling Company, Inc. License #: 5123
 Address: 100 S MAIN STE 505
 Address:
 City: WICHITA State: KS Zip + 4: 67202 3738
 Contact person: Della Lewis or Larry J. Richardson Contact phone: 316-262-8427

Lease Name: Maple "K" Well #: 2
Pit Location: *(See next page)*
 Section: 19 Township: 29 S. Range: 6 W
 2310 feet from N / S Line of Section
 330 feet from E / W Line of Section
 Quarter Calls: NE NE SE
 Kingman County
Type of Pit:
 Emergency Pit Burn Pit
 Settling Pit
 Workover Pit Haul-off Pit
 (If WP supply API No. or Year Drilled)
Pit is:
 Proposed Existing
 If Existing, Date constructed: 11/2007
 Pit Capacity: 1780 (bbls)

Is the Pit located in a sensitive ground water area? Yes No
 Chloride concentration: mg/l
 (For Emergency pits and Settling pits only)

Is the bottom below Ground level? Yes No
 Artificial Liner? Yes No
 How is the pit lined if a plastic liner is NOT used?
 Bentonite Selaer

Pit Dimensions (all but working pits): Length: 50 feet Width: 50 feet
 Depth from ground level to Deepest point: 4 feet
 N/A: Steel Pits
 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: 1110 feet
 Depth of Water well: 50 feet
 Depth to Shallowest fresh water: 32 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? Yes No

Drilling, Workover and Haul-off Pits only:
 Type of material utilized in drilling/workover: Fresh
 Number of working pits to be utilized: 2
 Abandonment Procedure
 Allow to evaporate and backfill when sufficiently dry.

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WICHITA, KS

Haul-off Pits only:
 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 an off-site disposal area is used, written permission from the landowner must be obtained. Attach written permission to haul-off pit application.

If yes, written permission from the landowner 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: Yes No

If yes, written permission from the landowner 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.

Workover Pits Only

Was a verbal authorization granted for this workover pit? Yes No

* The Haul Off Pit listed under the pit location is as follows: *

#7 Cox "B" lease
NE NE SE, Sec. 19-29S-6W
Kingman County, Kansas
API#: 15-095-22129

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WICHITA, KS



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

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

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- (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.
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 - (2) a \$2,500 penalty for the second violation; and
 - (3) a \$5,000 penalty and an operator license review for the third violation.

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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

CONSERVATION DIVISION
WICHITA, KS

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 landowner 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: Yes No If yes, written permission from the landowner 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.

PICKRELL DRILLING COMPANY, INC.

100 SOUTH MAIN - SUITE 505
WICHITA, KANSAS 67202-3738
(316) 262-8427 • FAX (316) 262-0893

Consent Letter

To Whom It May Concern:

This is to certify that I give permission for Pickrell Drilling Company, Inc. (Pickrell) to dispose of the drilling fluids used in the drilling of Pickrell's Maple "K" #2 well, (C NW SE Section 30-29s-6w) into the Cox B #7 Haul Off Pit located on land that I own in the SE/4 of Section 19-29s-6w, both located in Kingman County, Kansas.

Dated this 23 day of December 2008.

by: Jon R Coykendall
Jon R. Coykendall

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CONSERVATION DIVISION
WICHITA, KS



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

December 23, 2008

Larry J. Richardson
Pickrell Drilling Company, Inc.
100 S MAIN STE 505
WICHITA, KS67202-3738

Re: Drilling Pit Application
Maple "K" Lease Well No. 2
SE/4 Sec.30-29S-06W
Kingman County, Kansas

Dear Larry J. Richardson:

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 this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit, through SOLAR. This location will have to be inspected prior to approval of the haul-off pit application.

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WICHITA, KS



For KCC Use:
 Effective Date: 12/28/2008
 District # 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1024636
 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: 12/17/2009
 month day year

OPERATOR: License# 5123
 Name: Pickrell Drilling Company, Inc.
 Address 1: 100 S MAIN STE 505
 Address 2:
 City: WICHITA State: KS Zip: 67202 + 3738
 Contact Person: Larry J. Richardson
 Phone: 316-262-8427

CONTRACTOR: License#
 Name: Advise on ACO-1 -Must be licensed by KCC

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

Spot Description: 1980'FSL & 1980'FEL
 - NW - SE Sec. 30 Twp. 29 S. R. 6 E W
 (O/O/O/O) 1,980 feet from N / S Line of Section
 1,980 feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: Kingman
 Lease Name: Maple "K" Well #: 2
 Field Name: Spivey Grabs

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian

Nearest Lease or unit boundary line (in footage): 660
 Ground Surface Elevation: 1511 Estimated 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: 100
 Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe (if any):
 Projected Total Depth: 4250

Formation at Total Depth: Mississippian
 Water Source for Drilling Operations:

Well Farm Pond Other: To be Determined
 DWR Permit #:

(Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone:

AFFIDAVIT

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DEC 30 2008

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:

CONSERVATION DIVISION
 WICHITA, KS

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.

Submitted Electronically

For KCC Use ONLY
 API # 15 - 15-095-22177-00-00
 Conductor pipe required 0 feet
 Minimum surface pipe required 200 feet per ALT. I II
 Approved by: Rick Hestermann 12/23/2008
 This authorization expires: 12/23/2009
 (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:

30
 29
 6
 E
 W



1024636

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 - 15-095-22177-00-00
Operator: Pickrell Drilling Company, Inc.
Lease: Maple "K"
Well Number: 2
Field: Spivey Grabs

Location of Well: County: Kingman
1,980 feet from N / S Line of Section
1,980 feet from E / W Line of Section
Sec. 30 Twp. 29 S. R. 6 E W

Number of Acres attributable to well: 40
QTR/QTR/QTR/QTR of acreage: _____ - _____ - NW - SE

Is Section: Regular or Irregular

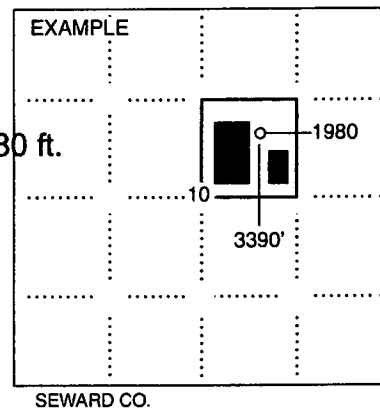
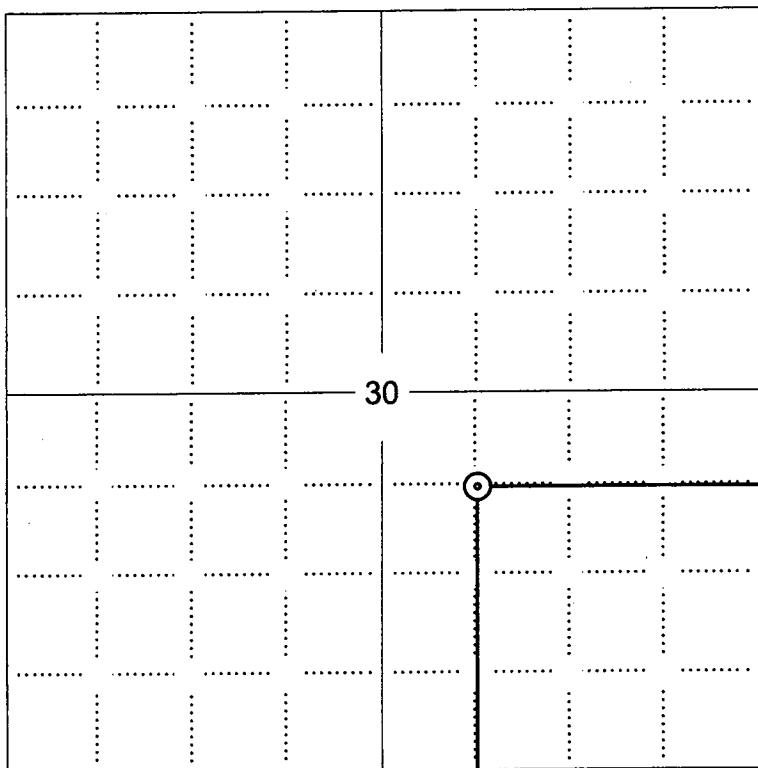
If Section is Irregular, locate well from nearest corner boundary.

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.)



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CONSERVATION DIVISION
WICHITA, KS

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

1980 ft.

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).



KANSAS CORPORATION COMMISSION 1024636
 OIL & GAS CONSERVATION DIVISION

Form CDP-1
 April 2004
 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Pickrell Drilling Company, Inc.		License Number: 5123	
Operator Address: 100 S MAIN STE 505		WICHITA KS 67202	
Contact Person: Larry J. Richardson		Phone Number: 316-262-8427	
Lease Name & Well No.: Maple "K" 2		Pit Location (QQQQ): _____ - _____ - NW - SE Sec. 30 Twp. 29 R. 6 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,980 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,980 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kingman _____ County	
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 <i>(If W/P Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 1,780 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
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 Sealer			
Pit dimensions (all but working pits): _____ 50 _____ Length (feet) _____ 50 _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ 4 _____ (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 3063 feet Depth of water well 92 feet		Depth to shallowest fresh water 10 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: Fresh _____ Number of working pits to be utilized: 2 Abandonment procedure: Allow to evaporate and backfill when sufficiently dry. Drill pits must be closed within 365 days of spud date.	
Submitted Electronically		RECEIVED KANSAS CORPORATION COMMISSION	
		DEC 30 2008 CONSERVATION DIVISION WICHITA, KS	
KCC OFFICE USE ONLY			
Date Received: 12/04/2008		Permit Number: 15-095-22177-00-00	
Permit Date: 12/23/2008		Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Steel Pit <input checked="" type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/>			

WITHERS, GOUGH, PIKE, PFAFF & PETERSON, LLC
ATTORNEYS AT LAW

Larry A. Withers (1942-2004)
Steven D. Gough
John G. Pike
Alan R. Pfaff
Donald N. Peterson, II
Sean M. McGivern

O. W. Garvey Building
200 W. Douglas, Suite 1010
Wichita, Kansas 67202

Phone: (316) 267-1562
Fax: (316) 303-1018

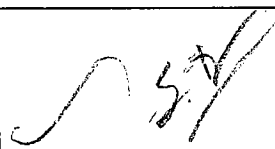
www.withersgough.com

To Contact Writer Directly:

(316) 266-5022
Cell (316) 655-4263

jpik@withersgough.com

May 24, 2007


Steve Dillard
Pickrell Drilling Company, Inc.
100 S. Main, Suite 505
Wichita, KS 67202

Re: Cox
S/2, Section 19-T29S-R6W
E/2 SE/4, Section 24-T29S-R7W
Kingman county, KS

Dear Steve:

You asked that we identify current mineral ownership of the above property to determine proper payees of royalty from production under the lease dated September 26, 1953, recorded in Book 66 at Page 437, covering the above property.

We examined title relying upon a Division Order Title Opinion by Bill Schell dated July 18, 1962, certified to July 12, 1962, at 9:30 a. m., and checked the records of Kingman county from that date to May 23, 2007, at 5:00 p. m. We find mineral and surface title to be as follows:

SURFACE RIGHTS

SW/4, Section 19

Beginning at the SE corner of the SW/4; West 870.47 feet;
North 2,701.66 feet to the North line of the SW/4;
East 876.47 feet to the NE corner of the SW/4;
South 2,701.14 feet to the POB

Donald E. Schrag

ALL

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KANSAS CORPORATION COMMISSION

DEC 30 2008

CONSERVATION DIVISION
WICHITA, KS

SW/4, except above tract

Steven W. Voran and Loretta L. Voran, joint tenants ALL

SE/4, Section 19

Beginning at the SW corner of the SE/4; North 2,701.14 feet to the NW corner of the SE/4; East 953 feet; Southwesterly 355.74 feet; Southerly 486.17 feet; Southwesterly 219.14 feet; Southerly 1,486.29 feet; Southerly 211.64 feet to the South line of the SE/4; West 773 feet to the POB (48.013 acres) (copy attached)

Cynthia M. Allen and Mark R. Allen, joint tenants ALL

SE/4, except above tract

Jon R. Coykendall and Linda L. Coykendall, joint tenants ALL

E/2 SE/4, Section 24

E/2 E/2 SE/4

Donald L. Graber ALL

W/2 E/2 SE/4

Spring Acres, Inc. ALL

MINERAL RIGHTS

Production from any well existing as 4-24-89, from formations producing on that date, is to be distributed as follows:

Harley Ravenstein and Marjorie Ravenstein, participating, for a term of 15 years from 7-13-01 only, reversion to Steven W. Voran and Loretta L. Voran, joint tenants	1/3
Maxie A. Hinkson	1/3 ¹
Patsy L. Reed, participating, for a term of 20 years from 9-1-91 and so long as there is production from lease in effect on that date	1/3

¹Maxie Hinkson has deeded rights in the E/2 SE/4 of Section 24 and we cannot determine the intent regarding this production.

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Subject to the above regarding production from a well or wells existing on 4-24-89, other mineral rights are as follows:

SW/4, Section 19

Harley Ravenstein and Marjorie Ravenstein,
participating, for a term of 15 years from
7-13-01 only, reversion to Steven W. Voran
and Loretta L. Voran, joint tenants (11/13/01) ALL

SE/4, Section 19

Beginning at the SW corner of the SE/4; North 2,701.14 feet
to the NW corner of the SE/4; East 953 feet; Southwesterly
355.74 feet; Southerly 486.17 feet; Southwesterly 219.14 feet;
Southerly 1,486.29 feet; Southerly 211.64 feet to the South
line of the SE/4; West 773 feet to the POB (48.013 acres)
(copy of deed attached)

Patsy L. Reed, participating, for a term of 20 years from
9-1-91 and so long as there is production from a lease in
effect on that date or later leases, reversion to Cynthia M.
Allen and Mark R. Allen, joint tenants ALL

SE/4, except above tract

11/13/01
NE/4 SE
Jon R. Coykendall and Linda L. Coykendall, joint tenants ALL

E/2 SE/4, Section 24

E/2 E/2 SE/4

Donald L. Graber ALL

W/2 E/2 SE/4

Donald L. Graber, participating, for a term of
50 years from 8-31-98 and as long as production
continues from the E/2 SE/4 of Section 24,
reversion to Spring Acres, Inc. ALL

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COMMENTS

1. The Cynthia and Mark Allen tract shown above is subject to a mortgage to Kanza Bank dated April 26, 2006, recorded in Book 263 at Page 56.

Very truly yours,



John G. Pike

**WITHERS, GOUGH, PIKE,
PFAFF & PETERSON, L.L.C.**

JGP/kc

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CONSERVATION DIVISION
WICHITA, KS

SCHEDULE "A"

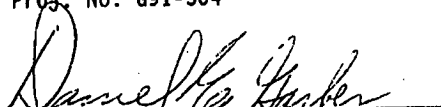
130

DESCRIPTION

A portion of the Southeast Quarter of Section 19, Township 29 South, Range 6 West of the 6th Principal Meridian, described as follows:

Beginning at the Southwest corner of the Southeast Quarter of Section 19, Township 29 South, Range 6 West of the 6th Principal Meridian; thence North along the West line of said Southeast Quarter 2701.14 feet to the Northwest corner of said Southeast Quarter; thence with a deflection angle $87^{\circ}37'20''$ right-East along the North line of said Southeast Quarter 953.00 feet; thence with a deflection angle $116^{\circ}00'09''$ right-Southwest 355.74 feet; thence with a deflection angle $23^{\circ}12'51''$ left-Southerly 486.17 feet; thence with a deflection angle $24^{\circ}51'02''$ right-Southwesterly 219.14 feet; thence with a deflection angle $27^{\circ}32'42''$ left-Southerly 1486.29 feet; thence with a deflection angle $2^{\circ}11'12''$ right-Southerly 211.64 feet to the South line of said Southeast Quarter; thence with a deflection angle $88^{\circ}01'32''$ right-West along the South line of said Southeast Quarter 773.00 feet to the point of beginning containing 48.013 Acres in Kingman County, Kansas, subject to a road right-of-way easement across the South 30.00 feet thereof and any other easements of record.

Dated: August 12, 1991
Proj. No. G91-504


Daniel E. Garber RLS #683



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CONSERVATION DIVISION
WICHITA, KS

B OIL AND GAS LEASE



AGREEMENT, Made and entered into this 26 day of September, 1953,
by and between Leo V Cox and Hazel E Cox (His wife)
Cleveland, Kansas.

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DEC 30 2008

Party of the first part, hereinafter called lessor (whether one or more), and
Southwest Grease & Oil Co., Inc. Party of the second part, hereinafter called lessee.

CONSERVATION DIVISION
WICHITA, KS

WITNESSETH, That the said lessor, for and in consideration of One No/100----- DOLLARS, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining, and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Kingman State of Kansas, described as follows, to-wit:

The South Half of Section Nineteen, Township Twenty Nine, Range Six West (S¹/₂ of Sec 19 Twp 29S Range 6W) and the East Half of the Southeast Quarter Section Twenty Four, Twp Twenty Nine Range Seven West, (E¹/₂ of SE¹/₄ 24-29¹⁷ W) and containing 400 acres more or less.

It is agreed that this lease shall remain in full force for a term of Ten (10) years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

- In consideration of the premises the said lessee covenants and agrees:
- 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth ($\frac{1}{8}$) part of all oil produced and saved from the leased premises.
 - 2nd. To pay lessor for gas from each well where gas only is found the equal one-eighth ($\frac{1}{8}$) of the gross proceeds at the prevailing market rate, for all gas used off the premises, said payments to be made Monthly and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.
 - 3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline, one-eighth ($\frac{1}{8}$) of the proceeds at the prevailing market rate for the gas used, for the time during which such gas shall be used, said payments to be made Monthly

If no well be commenced on said land on or before the 26 day of September, 1954, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in The First National Bank at Kingman, Kansas or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of Four Hundred No/100----- DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for _____ months from said date.

The payment herein referred to may be made in currency, draft, or check at the option of the lessee. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods or the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred. Lessee may at any time execute and deliver to Lessor or place of record a release or releases covering any portion or portions of the above described premises and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor.

When requested by lessor, lessee shall bury his pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payments of said rentals. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

Whereof witness our hands as of the day and year first above written. Leo V Cox (SEAL)
Hazel E Cox (SEAL)
Witness to the mark: _____ (SEAL)
_____ (SEAL)
_____ (SEAL)

STATE OF Kansas }
COUNTY OF Kingman } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 26
day of September, 1953, personally appeared Leo V Cox
and Hazel E Cox, (his wife)

to me personally known to be the identical person s who executed the within and foregoing instrument and acknowledged to me
that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires Oct 3-1953 [Signature]
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____
day of _____, 19____, personally appeared _____
and _____

to me personally known to be the identical person _____ who executed the within and foregoing instrument and acknowledged to me
that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss. ACKNOWLEDGMENT FOR CORPORATION

Be it remembered that on this _____ day of _____, 19____, before me, the undersigned, a
Notary Public, duly commissioned, in and for the county and state aforesaid, came _____
_____ president of _____

a corporation of the State of _____, personally known to me to be such officer, and to be
the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly ac-
knowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

My commission expires _____
Notary Public

No. _____

OIL AND GAS LEASE

FROM _____

TO _____

Date _____, 19____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF Kansas }
County of Kingman } ss:

This instrument was filed for record on the
1 day of Oct 1953
at 11 o'clock A.M., and duly recorded
in Book Ms 66 Page 437 of
the records of this office.
By [Signature] Register of Deeds.
When Recorded, Return to _____

THE KANSAS BLUE PRINT CO.
141 NORTH MARKET ST. WICHITA, KANSAS
PHOTOSTAT SERVICE UP-TO-DATE OIL MAPS

NOTE: When signature by mark in Kansas, said mark to be witnessed by at least one person and also acknowledged.
For acknowledgment by mark, use regular Kansas acknowledgment.

STATE OF _____ }
COUNTY OF _____ } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)

Before me, the undersigned, a Notary Public, within and for said County and State, on this _____
day of _____, 19____, personally appeared _____
and _____

to me personally known to be the identical person _____ who executed the within and foregoing instrument and acknowledged to me
that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires _____
Notary Public