

OWWO

For KCC Use: 10-18-2011  
Effective Date:  
District # \_\_\_\_\_  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form C-1  
March 2010

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  
Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: October 17 2011  
month day year

OPERATOR: License# 34455  
Name: Glori Holdings Inc.  
Address 1: 4315 South Drive  
Address 2: \_\_\_\_\_  
City: Houston State: TX Zip: 77053 +  
Contact Person: James E. Melland, Melland Engineering, Inc.  
Phone: 620-241-4621

CONTRACTOR: License# 34367  
Name: Lonestar Services LLC

Well Drilled For:  Oil  Gas  Seismic; # of Holes \_\_\_\_\_  
 Other: Re-enter old well for water supply well WSW

Well Class:  Enh Rec  Storage  Disposal  Other \_\_\_\_\_

Type Equipment:  Mud Rotary  Air Rotary  Cable

If OWWO: old well information as follows:  
Operator: Merit Energy  
Well Name: Etzold Unit North 3-7  
Original Completion Date: 9/26/1989 Original Total Depth: 6460

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT # E-24.960

Spot Description: West of Approximate C of S/2  
SE NE SW Sec. 22 Twp. 33 S. R. 34  E  W  
(Q/Q/Q/Q) 1,220 1326 perles feet from  N /  S Line of Section  
2,740 feet from  E /  W Line of Section

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

County: Seward  
Lease Name: Etzold Unit North Well #: 3-7  
Field Name: Shuck

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): shallow Permian  
Nearest Lease or unit boundary line (in footage): 1320' from southern boundary

Ground Surface Elevation: 2906' 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: 560'  
Depth to bottom of usable water: 560'  
Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 1630'  
Length of Conductor Pipe (if any): \_\_\_\_\_  
Projected Total Depth: 900  
Formation at Total Depth: shallow Permian

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 to the best of my knowledge and belief.  
Date: 10/6/2011 Signature of Operator or Agent: James E. Melland Title: Consultant

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For KCC Use ONLY  
API # 15 - 175-21106-00-01  
Conductor pipe required None feet  
Minimum surface pipe required 1630 feet per ALT.  I  II  
Approved by: RWS 10-13-2011  
This authorization expires: 10-13-2012  
(This authorization void if drilling not started within 12 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

**Remember to:**

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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 prorations 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: \_\_\_\_\_  
Signature of Operator or Agent: \_\_\_\_\_

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

22  
33  
34  
 E  
 W

For KCC Use ONLY

API # 15 - 175-21106-0001

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Glori Holdings Inc.  
 Lease: Etzold Unit North  
 Well Number: 3-7  
 Field: Shuck

Location of Well: County: Seward  
 1,320 feet from  N /  S Line of Section  
 2,740 feet from  E /  W Line of Section  
 Sec. 22 Twp. 33 S. R. 34  E  W

Number of Acres attributable to well: Well part of 480 acre unit.  
 QTR/QTR/QTR/QTR of acreage: SE - NE - SW

Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

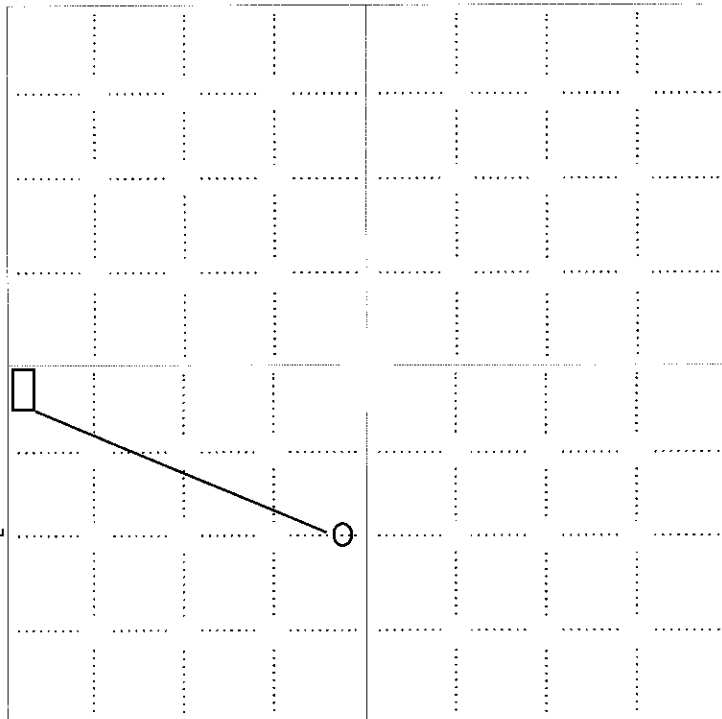
**PLAT**

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

You may attach a separate plat if desired.

2740 FEL

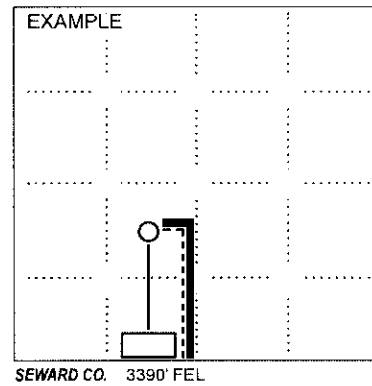
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1320 FSL

**LEGEND**

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



SEWARD CO. 3390' FEL

1980' FSL

**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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

15-775-21106-0001  
KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form KSONA-1  
July 2010  
Form Must Be Typed  
Form must be Signed  
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE  
KANSAS SURFACE OWNER NOTIFICATION ACT**

*This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.*

Select the corresponding form being filed:  C-1 (Intent)  CB-1 (Cathodic Protection Borehole Intent)  T-1 (Transfer)  CP-1 (Plugging Application)

OPERATOR: License # 34455  
Name: Glori Holdings Inc.  
Address 1: 4315 South Drive  
Address 2:  
City: Houston State: TX Zip: 77053  
Contact Person: James E. Melland, Melland Engineering, Inc.  
Phone: ( 620 ) 241-4621 Fax: ( 620 ) 241-2621  
Email Address: jamesm@mellandengineering.com

Well Location:  
SE NE SW Sec. 22 Twp. 33 S. R. 34  East  West  
County: Seward  
Lease Name: Etzold Unit North Well #: 3-7

*If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:*

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**Surface Owner Information:**

Name: Tuls Dairy  
Address 1: Route 1, Box 166A  
Address 2:  
City: Liberal State: KS Zip: 67901

*When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.*

*If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.*

**Select one of the following:**

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

*If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.*

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 10/6/2011 Signature of Operator or Agent: James E. Melland Title: consultant

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**WELL PLUGGING RECORD**  
K.A.R. 82-3-117

RECH. RECD Form CP-4  
March 2009  
Type or Print on this Form  
Form must be Signed  
All blanks must be Filled

OPERATOR: License #: 32446  
Name: Merit Energy Company  
Address 1: 13727 Noel Rd, Suite 500  
Address 2: \_\_\_\_\_  
City: Dallas State: TX Zip: 75240 + \_\_\_\_\_  
Contact Person: Lynne Moon /Regulatory Manager  
Phone: (972) 628-1569  
Type of Well: (Check one)  Oil Well  Gas Well  OG  D&A  Cathodic  
 Water Supply Well  Other: SW Injection  SWD Permit #: \_\_\_\_\_  
 ENHR Permit #: E24960  Gas Storage Permit #: \_\_\_\_\_  
Is ACO-1 filed?  Yes  No If not, is well log attached?  Yes  No  
Producing Formation(s): List All (if needed attach another sheet)  
Chester Depth to Top: 6262' Bottom: 6280' T.D. 6374'  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_  
\_\_\_\_\_ Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_

API No. 15 - 175-21106-00-00  
Spot Description: SE NE SW Sec. 22 Twp. 33 S. R. 34 East  West   
1396 1396 Feet from  North  South Line of Section  
2875 2740 Feet from  East  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE  NW  SE  SW  
County: Seward  
Lease Name: Etzold Unit North Well #: 3-7  
Date Well Completed: \_\_\_\_\_  
The plugging proposal was approved on: 7/19/10 (Date)  
by: Steve Durant (KCC District Agent's Name)  
Plugging Commenced: 7/19/10  
Plugging Completed: 7/20/10

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface, Conductor & Production)			
Formation	Content	Casing	Size	Setting Depth	Pulled Out
		Surface	8 5/8"	1630'	NONE
		Production	5 1/2"	6374'	1650'

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Set 5 1/2" 10K CIBP @ 6000' & cap w/ 2 sks cement. Cut 5 1/2" casing @ 2495', moved 15' & hung up. Cut #2) at 2195', cut # 3) at 1870', & final cut @ 1650'. POH w/ 42 jts 5 1/2" csg. Run tbg @ 1680' & spot 80 sks Class "C" cement ( 18.8 bbl slurry ) up to 1380', Pull up hole w/ tbg @ 600', Mix & spot 50 sks Class "C" cement up to 416', Top out 64' - 4' w/ 20 sks cement.

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Plugging Contractor License #: 33338 Name: ORR ENTERPRISES, INC.  
Address 1: P.O. Box 1706 Address 2: \_\_\_\_\_  
City: Duncan State: Oklahoma Zip: 73534 + 1706  
Phone: (580) 467-0258  
Name of Party Responsible for Plugging Fees: MERIT ENERGY COMPANY  
State of TEXAS County: DALLAS ss. \_\_\_\_\_  
LYNNE MOON (Print Name)  Employee of Operator or  Operator on above-described well.

being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

Signature: Lynne Moon

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

Form CDP-1  
May 2010  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>Glori Holdings Inc.</b>		License Number: <b>34455</b>	
Operator Address: <b>4315 South Drive</b>		<b>Houston TX 77053</b>	
Contact Person: <b>James E. Melland, Melland Engineering, Inc.</b>		Phone Number: <b>620-241-4621</b>	
Lease Name & Well No.: <b>Etzold Unit North 3-7</b>		Pit Location (QQQQ): <b>SE - NE - SW</b>	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" 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: _____ (bbls)	
		Sec. <b>22</b> Twp. <b>33</b> R. <b>34</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1,320</b> <sup>1320</sup> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>2,740</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Seward</b> _____ County	
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? <b>No liner, reserve pit for drilling mud.</b>	
Pit dimensions (all but working pits): <b>6</b> Length (feet) <b>20</b> Width (feet)		<input type="checkbox"/> N/A: Steel Pits	
Depth from ground level to deepest point: <b>3</b> (feet)		<input type="checkbox"/> No Pit	
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>Pit not lined</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>Pit not lined, use is very temporary</b>	
Distance to nearest water well within one-mile of pit: <b>None</b> <sup>2150</sup> feet    Depth of water well <b>240</b> feet		Depth to shallowest fresh water <b>180</b> <sup>125</sup> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> 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 pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Bentonite Mud</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Dry &amp; back fill</b> 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.			
<b>10/6/2011</b> Date		<i>James E. Melland</i> Signature of Applicant or Agent	

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<b>KCC OFFICE USE ONLY</b>			
		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS	
Date Received: <b>10-11-11</b>	Permit Number: _____	Permit Date: <b>10-13-11</b>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

October 13, 2011

Glori Holdings, Inc.  
4315 South Drive  
Houston, TX 77053

Re: Drilling Pit Application  
Etzold Unit North Lease Well No. 3-7  
SW/4 Sec. 33-34S-34W  
Seward 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.

**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,

  
Kathy Haynes  
Environmental Protection and Remediation Department

cc: File