

For KCC Use: 4-21-2012
Effective Date: 4
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OWWO

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: 4 23 2012
month day year

OPERATOR: License# 3942
Name: dba Big O LLC
Address 1: 2820 Paseo Dr
Address 2:
City: Great Bend State: Ks Zip: 67530
Contact Person: Orville Monroe
Phone: 620-793-2134
CONTRACTOR: License# KLN 8253
Name: G & L Well Service, Inc.

Spot Description: 1-963' ENL 924' ENL
SE NW SE NE Sec. 1 Twp. 13 S. R 14 E W
(0000) 1963 feet from N / S Line of Section
924' feet from E / W Line of Section

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

County: Russell
Lease Name: Krug Well #: 1
Field Name: wildcat Bachman

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

Nearest Lease or unit boundary line (in footage): 677' South
Ground Surface Elevation: 1656' 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: 180'
Depth to bottom of usable water: 240' 340'

Surface Pipe by Alternate: I II 392
Length of Surface Pipe Planned to be set: 292 already set

Length of Conductor Pipe (if any): none
Projected Total Depth: 3264

Formation at Total Depth: 3264 Arbuckle
Water Source for Drilling Operations:
 Well Farm Pond Other:

DWR Permit #: (Note: Apply for Permit with DWR)
Will Cores be taken? Yes No

If Yes, proposed zone:

Well Drilled For: Oil Gas Seismic Other: # of Holes _____
Well Class: Enh Rec Storage Disposal Other: _____
Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows:
Operator: ESP Development, Inc.
Well Name: Krug #1
Original Completion Date: 1-2-12 Original Total Depth: 3264

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: 4-10-2012 Signature of Operator or Agent: Orville Monroe Title: Owner-operator

For KCC Use ONLY
API # 15 - 167-23763-00-01
Conductor pipe required None feet
Minimum surface pipe required 392 feet per ALT. I II
Approved by: Per 4-16-2012
This authorization expires: 4-16-2013
(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 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 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

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APR 11 2012
KCC WICHITA

For KCC Use ONLY

API # 15 167-23763-0001

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: Big O, LLC
 Lease: Krug
 Well Number: 1
 Field: Widlcat
 Number of Acres attributable to well: 120
 QTR/QTR/QTR/QTR of acreage: 1-13-14

Location of Well: County: Russell
1963 feet from N / S Line of Section
924 feet from E / W Line of Section
 Sec. 1 Twp. 13 S. R. 14 E W

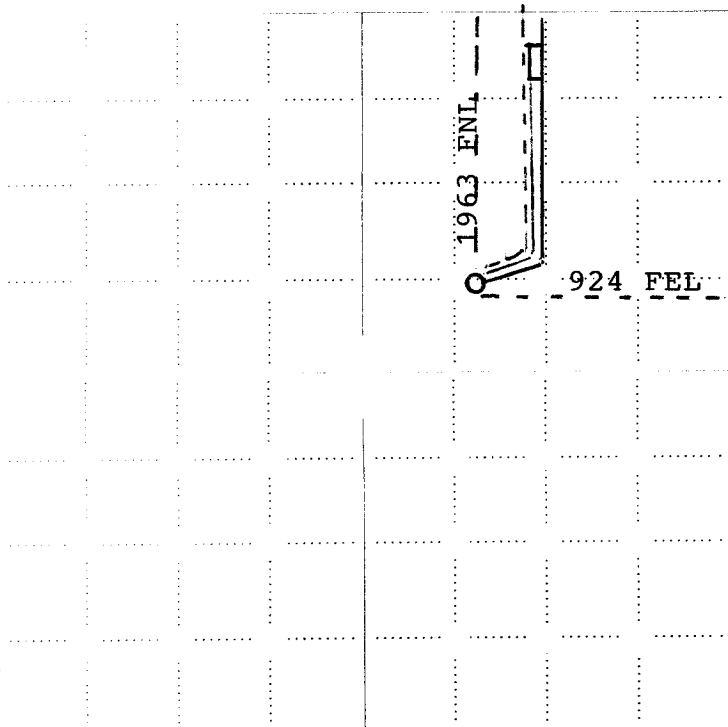
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

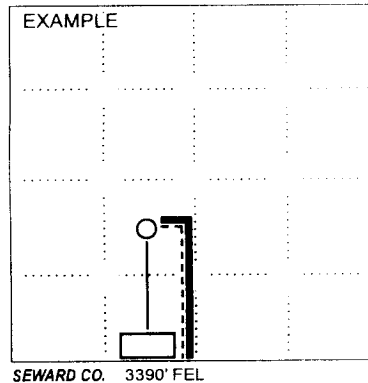
PLAT

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.



LEGEND

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



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.

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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**

15-167-23763-0001

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 # 3942
Name: Big O, LLC
Address 1: 2820 Paseo Dr
Address 2: _____
City: Great Bend State: Ks Zip: 67530 + _____
Contact Person: Orville Monroe
Phone: (620) 793-2134 Fax: (_____) _____
Email Address: _____

Well Location: NW SE
NE SW - NE Sec. 1 Twp. 13 S. R. 14 East West
County: Russell
Lease Name: Krug Well #: 1

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

Surface Owner Information:

Name: Steven Krug
Address 1: P.O. Box 468
Address 2: _____
City: Russell State: Ks Zip: 67665 + _____

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: 4-10-2012 Signature of Operator or Agent: [Signature] Title: Owner-operator

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

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**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: Big O LLC		License Number: 3942
Operator Address: 2820 Paseo Dr.		
Contact Person: Orville Monroe		Phone Number: 620-793-2134
Lease Name & Well No.: Krug #1		Pit Location (QQQQ): 1963' - FNL - 924' - FEL
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: _____ (bbls)	Sec. <u>1</u> Twp. <u>13</u> R. <u>14</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,963</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>924</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Russell _____ County
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? Native mud
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (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: <u>1420</u> feet Depth of water well <u>80</u> feet		Depth to shallowest fresh water <u>30</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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: <u>Rotary Mud</u> Number of working pits to be utilized: _____ Abandonment procedure: <u>Haul off fluid, close when dry</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>4-11-12</u> _____ Date		RECEIVED APR 13 2012 KCC WICHITA
KCC OFFICE USE ONLY		
Date Received: <u>4-13-12</u> Permit Number: _____ Permit Date: <u>4-13-12</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS

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

TO:
STATE CORPORATION COMMISSION
CONSERVATION DIVISION - PLUGGING
130 SOUTH MARKET, SUITE 2078
WICHITA, KANSAS 67202

API Well Number: 15-167-23763-00-00
Spot: SENWSENE Sec/Twnshp/Rge: 1-13S-14W
1963 feet from N Section Line, 924 feet from E Section Line
Lease Name: KRUG Well #: 1
County: RUSSELL Total Vertical Depth: 3264 feet

Operator License No.: 6194
Op Name: ESP DEVELOPMENT, INC.
Address: 1749 250TH AVE
HAYS, KS 67601

String	Size	Depth (ft)	Pulled (ft)	Comments
SURF	8.625	392		200 SX

Well Type: DH UIC Docket No: _____ Date/Time to Plug: 01/02/2012 12:00 PM
Plug Co. License No.: 33905 Plug Co. Name: ROYAL DRILLING INC
Proposal Revd. from: STEVE Company: ROYAL DRILLING INC Phone: _____

Proposed Plugging Method: Ordered 185 sxs 60/40 pozmix - 4% gel with 1/4# flocele per sack.
Space all plugs with heavy drilling mud through drill pipe.

Plugging Proposal Received By: PAT STAAB WitnessType: NONE
Date/Time Plugging Completed: 01/02/2012 5:00 AM KCC Agent: PAT STAAB

Actual Plugging Report:

Perfs:

1st plug @3210 w/25 sx
2nd plug @696 w/25 sx
3rd plug @442 w/80 sx
4th plug @40 w/10 sx


Rathole 30 sx Mousehole 15 sx

Remarks: QUALITY OILWELL CEMENTING

Plugged through: DP

District: 04

Signed _____



(TECHNICIAN)

CM

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FEB 07 2012
KCC WICHITA

FEB 03 2012

Form CP-2/3

2/10/12

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

April 16, 2012

Big O
2820 Paseo Dr.
Great Bend, KS 67530-7225

RE: Drilling Pit Application
Krug Lease Well No. 1
NE/4 Sec. 01-13S-14W
Russell 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 free fluids must be removed. The fluids are to be removed from the reserve pit after drilling operations have ceased. Keep pits away from draw/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 (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:
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: district