

Owwo

For KCC Use: 5-22-2012
Effective Date: 4
District # 4
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: May 27 2012
month day year

Spot Description: 40'S & 75'E of
NE NW NE Sec. 34 Twp. 11 S. R. 15 E W
(a/a/a/a) 370 feet from N / S Line of Section
1,575 feet from E / W Line of Section

OPERATOR: License# 6194
Name: ESP Development, Inc.
Address 1: 1749 250th Avenue
Address 2:
City: Hays State: KS Zip: 67601 +
Contact Person: Lewis Eulert
Phone: (785) 625-6394

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

CONTRACTOR: License# 31548
Name: Discovery Drilling Co., Inc.

County: Russell
Lease Name: O.C. Eulert (OWWO) Well #: 5
Field Name: Unnamed

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

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

If OWWO: old well information as follows:
Operator: Shields oil Producers, Inc.
Well Name: Eulert "A" # 5
Original Completion Date: 11/16/1990 Original Total Depth: 3290

Nearest Lease or unit boundary line (in footage): 370 feet MSL
Ground Surface Elevation: 1769
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 180
Depth to bottom of usable water: 480 400
Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: Set @ 218' In 1990
Length of Conductor Pipe (if any): None
Projected Total Depth: 3350
Formation at Total Depth: 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:

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: 5/15/12 Signature of Operator or Agent: [Signature] Title: Agent

RECEIVED
MAY 16 2012

For KCC Use ONLY
API # 167-22935-00-01
Conductor pipe required None feet
Minimum surface pipe required 218 feet per ALT. I II
Approved by: [Signature] 5-17-2012
This authorization expires: 5-17-2013
(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: _____

11
15
 E
 W

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

For KCC Use ONLY

API # 15 - 167-22935-0001

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: ESP Development, Inc.
 Lease: O.C. Eulert (OWWO)
 Well Number: 5
 Field: Unnamed

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

Location of Well: County: Russell
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. 34 Twp. 11 S. R. 15 E W

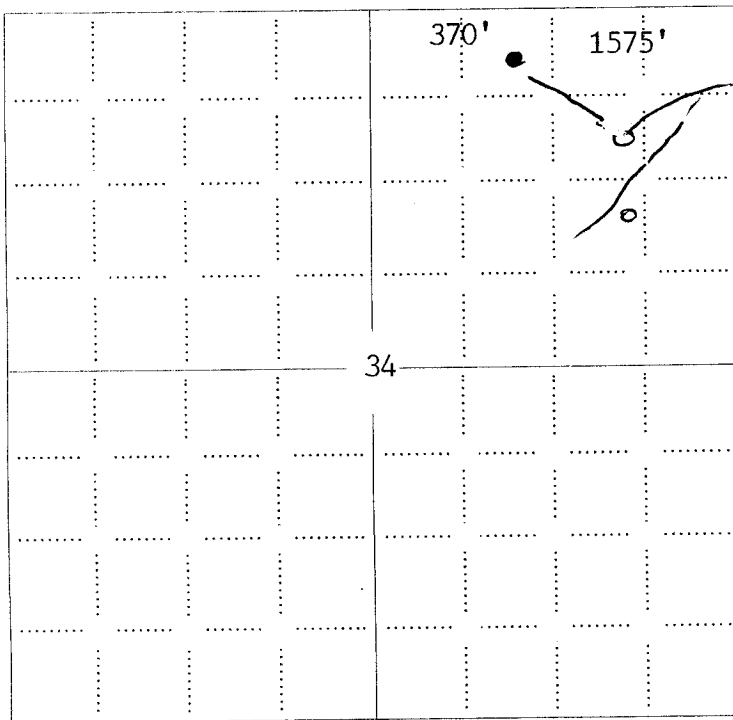
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

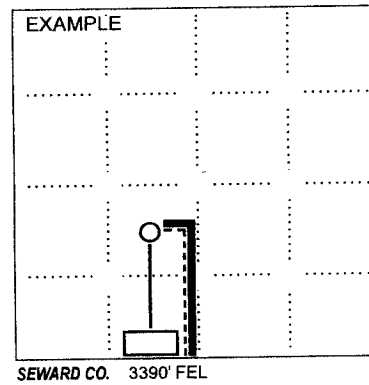
PLAT

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.

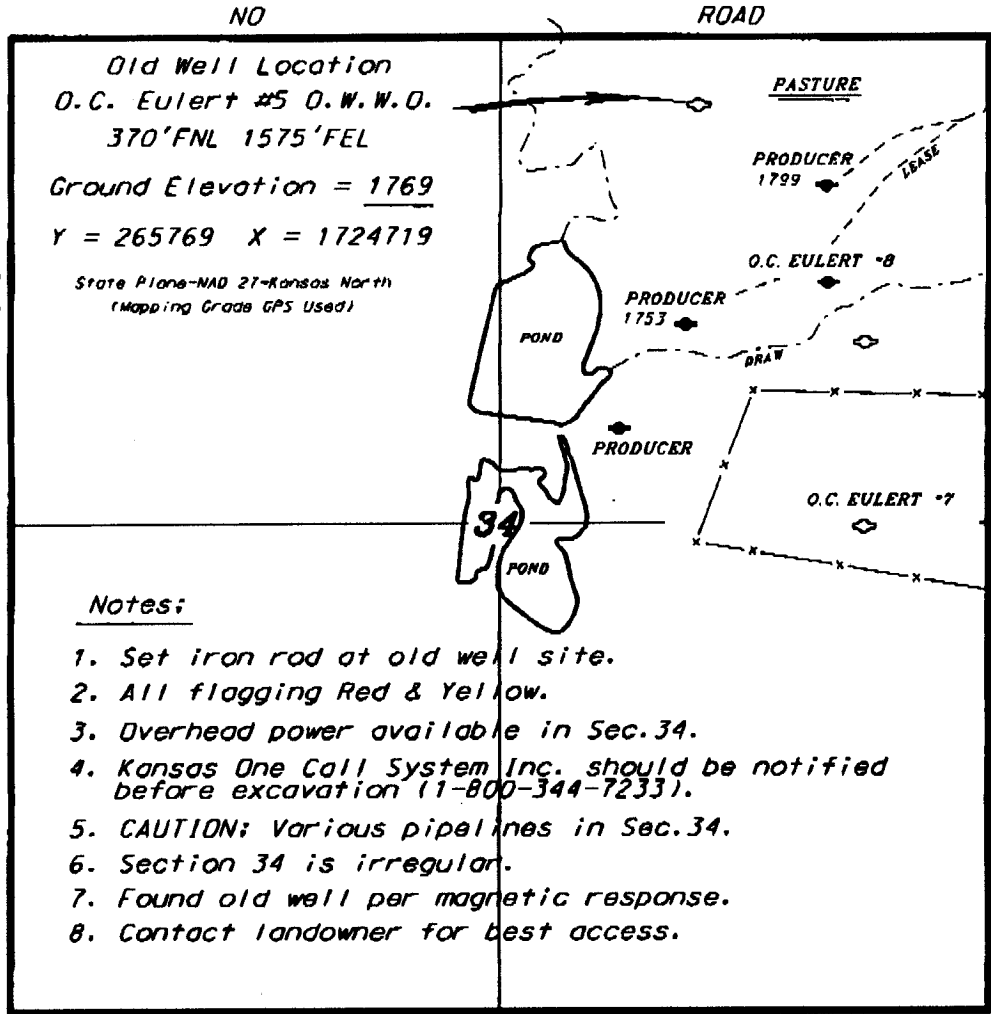
Russell Co., KS

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.

ESP DEVELOPMENT, INC.
 O.C. EULERT LEASE
 NE. 1/4, SECTION 34, T11S, R15W
 RUSSELL COUNTY, KANSAS

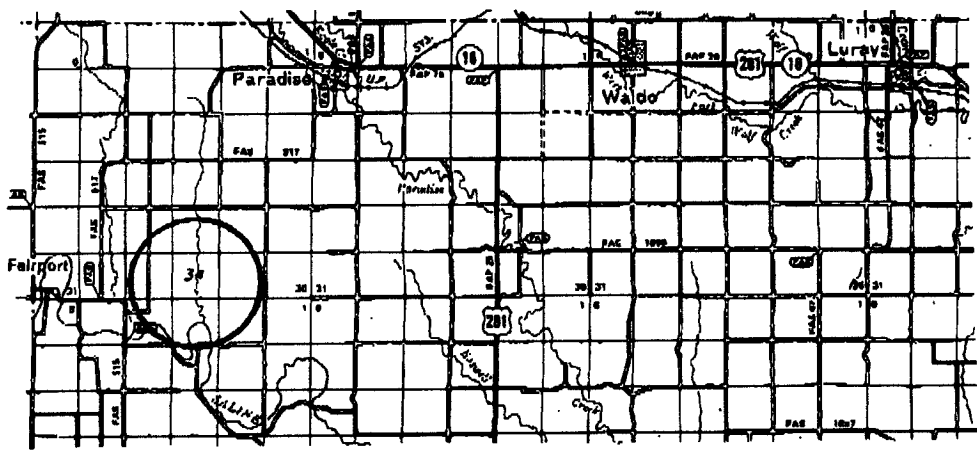
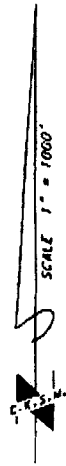
15167-22935-0001



Notes:

1. Set iron rod at old well site.
2. All flagging Red & Yellow.
3. Overhead power available in Sec. 34.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 34.
6. Section 34 is irregular.
7. Found old well per magnetic response.
8. Contact landowner for best access.

* Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the well site location in the section is not guaranteed. Therefore, the liability for securing this service and occupying this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and shall be released from any liability from incidental or consequential damages.
 Elevation derived from National Geodetic Vertical Datum.

RECEIVED
 MAY 16 2012
 KCC WICHITA
 Date May 8, 2012

15167-22935-0001
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 # 6194
Name: ESP Development, Inc.
Address 1: 1749 250th Avenue
Address 2: _____
City: Hays State: KS Zip: 67601 + _____
Contact Person: Lewis Eulert
Phone: (785) 625-6394 Fax: (_____) _____
Email Address: _____

Well Location:
NE_NW_NE Sec. 34 Twp. 11 S. R. 15 East West
County: Russell
Lease Name: O.C. Eulert (OWWO) Well #: 5

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

Surface Owner Information:

Name: Norman Nelson/1st State Bank
Address 1: P.O. Box 560
Address 2: _____
City: Norton State: KS Zip: 67654 + _____

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.

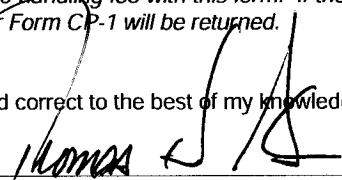
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary 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: 5/15/12 Signature of Operator or Agent:  Title: Agent

**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: ESP Development, Inc.		License Number: 6194
Operator Address: 1749 250th Avenue		Hays KS 67601
Contact Person: Lewis Eulert		Phone Number: (785) 625-6394
Lease Name & Well No.: O.C. Eulert (OWWO) 5		Pit Location (QQQQ): _____ NE _____ NW _____ NE Sec. 34 Twp. 11 R. 15 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 370 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,575 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Russell _____ 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 <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: 2,000 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Sealed with clay soil, native and fresh mud.
Pit dimensions (all but working pits): _____ 40 _____ Length (feet) _____ 40 _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ 5 _____ (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: 4728 feet Depth of water well 30 feet		Depth to shallowest fresh water _____ 11 _____ 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 Mud Number of working pits to be utilized: 3 Abandonment procedure: Allow liquid contents to evaporate, let cuttings dry and backfill. 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. _____ 5/15/12 _____ Date Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: 5-16-12 Permit Number: _____ Permit Date: 5-17-12 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS

15167-22935-0001

**RECEIVED
MAY 16 2012
KCC WICHITA**

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

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

Sam Brownback, Governor

May 17, 2012

ESP Development, Inc.
1749 250th Ave
Hays, KS 67601

RE: Drilling Pit Application
OC Eulert OWWO Lease Well No. 5
NE/4 Sec. 34-11S-15W
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

STATE OF KANSAS
STATE CORPORATION COMMISSION
200 Colorado Derby Building
Wichita, Kansas 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

API NUMBER 15-167-22,935-0000

LEASE NAME Eulert "A"

WELL NUMBER 5

4,950 Ft. from S Section Line

1,650 Ft. from E Section Line

SEC. 34 TWP. 11 RGE. 15 ~~EX~~ (W)

COUNTY Russell

Date Well Completed 11-28-90

Plugging Commenced 11-28-90

Plugging Completed 11-28-90

TYPE OR PRINT
NOTICE: Fill out completely
and return to Cons. Div.
office within 30 days.

LEASE OPERATOR Shields Oil Producers, Inc.

ADDRESS Shields Bldg., Russell, KS. 67665

PHONE#(913) 483-3141 OPERATORS LICENSE NO. 5,184

Character of Well D & A

(Oil, Gas, D&A, SWD, Input, Water Supply Well)

The plugging proposal was approved on 11-28-90 (date)

by Herb Deines (KCC District Agent's Name).

Is ACO-1 filed? Yes If not, is well log attached? _____

Producing Formation _____ Depth to Top _____ Bottom _____ T.D. 3,290'

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

OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put In	Pulled out
				8 5/8"	218'	CMTD. w/140 sax

Describe in detail the manner in which the well was 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 and depth placed, from feet to feet each set.

Fill hole w/ heavy mud. Push bridge plug to 870', spot 25 sax cement on plug thru drill pipe. Push bridge plug to 500', spot 100 sax cement on plug thru drill pipe. Push wiper plug to 40', dump 10 sax cement on plug to cellar. Dump 15 sax cement down rat hole and 10 sax cement down mouse hole. (If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor Shields Drilling Co., Inc. License No. 164

Address Shields Bldg., Russell, KS. 67665

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Shields Oil Producers, Inc.

STATE OF KANSAS COUNTY OF RUSSELL, ss.

Jack P. Beeman (Employee of Operator) or ~~COOPERATOR~~ of 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 as filed that the same are true and correct, so help me God.

RWD
11-29-90

(Signature) Jack P. Beeman, Sec - Treas

(Address) Shields Bldg., Russell, KS. 67665

SUBSCRIBED AND SWORN TO before me this 28th day of November, 19 90

NOV 29 1990

Ruth Phillips
Notary Public

My Commission Expires: _____

