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STATE OF KANSAS KANSAS CORPORATION COMMISSION CONSERVATION DIVISION 130 South Market - Room 2078 Wichita, Kansas 67202

KCC WICHITA

WELL PLUGGING APPLICATION FORM

FORM CP-1 (3/92)

| WELL PLUGGING APPLICATION FORM (PLEASE TYPE FORM and File ONE Copy) |
|-------------------------------------------------------------------------------------------------------------------------------------------------|
| API # Comp. 6-25-48 Out (Centilifier number of this well). This must be listed for |
| wells drilled since 1967; of no API# was issued, indicate spud or completion date. |
| WELL OPERATOR MIKE KELSO OIL, INC. (owner/company name) ADDRESS P.O. Box 467 (ovner/company name) CITY Chase, |
| ADDRESS F.U. BOX 407 CTTY Chase, |
| STATE Kansas ZIP CODE 67524 CONTACT PHONE # (620) 938-2943 |
| LEASE Kinemond WELL# 1 SEC.7 T.18S R.9W (East/West) |
| - SE - NE - SW SPOT LOCATION/QQQQ COUNTY Rice |
| 1550 FEET (in exact footage) FROM (circle one) LINE OF SECTION (NOT Lease Line) |
| 2120 FEET (in exact footage) FROM E (W) (circle one) LINE OF SECTION (NOT Lease Line) |
| Check One: OIL WELL X GAS WELL D&A SWD/ENHR WELL DOCKET# |
| CONDUCTOR CASING SIZE SET AT CEMENTED WITH SACKS |
| SURFACE CASING SIZE 8-5/8" SET AT 257' CEMENTED WITH 165 SACKS |
| PRODUCTION CASING SIZE 4-1/2" SET AT 3215' CEMENTED WITH 150 SACKS |
| LIST (ALL) PERFORATIONS and BRIDGEPLUG SETS: |
| ELEVATION 1730/1735 T.D. 3227' PBTD ANHYDRITE DEPTH 403-422 (Stone Corral Formation) |
| CONDITION OF WELL: GOOD X POOR CASING LEAK JUNK IN HOLE |
| PROPOSED METHOD OF PLUGGING ACCORDING TO THE RULES AND REGULATIONS OF THE STATE |
| OF KANSAS. |
| |
| (If additional space is needed attach separate page) |
| IS WELL LOG ATTACHED TO THIS APPLICATION AS REQUIRED? No IS ACO-1 FILED? |
| If not explain why?Unavailable |
| PLUGGING OF THIS WELL WILL BE DONE IN ACCORDANCE WITH K.S.A. 55-101 et. seq. AND THE RULES AND REGULATIONS OF THE STATE CORPORATION COMMISSION. |
| LIST NAME OF COMPANY REPRESENTATIVE AUTHORIZED TO BE IN CHARGE OF PLUGGING OPERATIONS: |
| Mike Kelso PHONE# (620 562-8088 (Cell) |
| ADDRESS P.O. Box 467 City/State Chase, Kansas 67524 |
| PLUGGING CONTRACTORMike's Testing & Salvage Inc. KCC LICENSE # 31529 |
| (company name) (contractor's) / ADDRESS P.O. Box 467 Chase, Kansas 67524 PHONE # () (316) 938-2943 |
| PROPOSED DATE AND HOUR OF PLUGGING (If Known?) ASAP |
| PAYMENT OF THE PLUGGING FEE (K.A.R. 82-3-118) WILL BE GUARANTEED BY OPERATOR OR AGENT |
| DATE: 3-23-04 AUTHORIZED OPERATOR/AGENT: Mile Pulso |
| (signature) |

CORPORATION COMMISSION

Kathleen Sebelius, Governor

Brian J. Moline, Chair

John Wine, Commissioner

Robert E. Krehbiel, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Kelso, Mike - Oil, Inc. PO Box 467 Chase, KS 67524-0467

April 13, 2004

Re: KINEMOND #1

API 15-159-21300-00-00

SENESW 7-18S-9W, 1550 FSL 2120 FWL

RICE COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely

David P. Williams

Production Supervisor

District: #2 130 S. Market, Room 2125 Wichita, KS 67202-3208 (316) 337-6231