

MAR 27 2006

This Form must be Typed
Form must be Signed
All blanks must be Filled

WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy
CONSERVATION DIVISION
WICHITA, KS

API # 15 - 035-23137 ⁻⁰⁰⁻⁰⁰ (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued,

indicate original spud or completion date August of 1982

Well Operator: Bluestem, Inc. KCC License #: 32557
(Owner / Company Name) (Operator's)

Address: 1226 W. County Line Road City: Cedar Vale,

State: Kansas Zip Code: 67024 Contact Phone: (620) 758 - 2809

Lease: Kennedy Well #: 1-C Sec. 28 Twp. 33S S. R. 8 East West

SE - NE - NE Spot Location / QQQQ County: Cowley

4117 Feet (in exact footage) From North / South (from nearest outside section corner) Line of Section (Not Lease Line)

285 Feet (in exact footage) From East / West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: Oil Well Gas Well D&A Cathodic Water Supply Well
 SWD Docket # _____ ENHR Docket # _____ Other: _____

Conductor Casing Size: 4 1/2 Set at: 2349 Cemented with: _____ Sacks

Surface Casing Size: 8 58 Set at: 200 Cemented with: _____ Sacks

Production Casing Size: _____ Set at: _____ Cemented with: _____ Sacks

List (ALL) Perforations and Bridgeplug Sets: _____

Elevation: 1038 S.L. / K.B. T.D.: _____ P.B.T.D.: _____ Anhydrite Depth: _____
(Stone Corral Formation)

Condition of Well: Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): As Per KCC Rules and Regulations

Is Well Log attached to this application as required? Yes No Is ACO-1 filed? Yes No Don't know

If not explain why? We are certain a ACO-1 was filed but KCC has never been able to furnish us with one.

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: Floyd Montgomery

Phone: (620) 758-2809

Address: 1226 W. County Line Road City / State: Cedar Vale, Ks. 67024

Plugging Contractor: Elmore, Inc. KCC License #: 32884
(Company Name) (Contractor's)

Address: P. O. Box 87 Phone: (620) 725 - 5538

Proposed Date and Hour of Plugging (if known?): _____

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 3-24-06 Authorized Operator / Agent: Floyd Montgomery
(Signature)

Mailed certified RRR 7004 0750 0000 5838 9600

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

X

KANSAS

CORPORATION COMMISSION

Kathleen Sebelius, Governor Brian J. Moline, Chair Robert E. Krehbiel, Commissioner Michael C. Moffet, Commissioner

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

Bluestem, Inc
1226 W County Line Rd
Cedar Vale, KS 67024

March 27, 2006

Re: KENNEDY #1-C
API 15-035-23137-00-00
SESENENE 28-33S-8E, 4117 FSL 285 FEL
COWLEY 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.

District: #2
3450 N. Rock Road, Suite 601
Wichita, KS 67226
(316) 630-4000

Sincerely


David P. Williams
Production Supervisor