

SKID RIG
P

For KCC Use: 5-10-06
Effective Date: _____
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date May 1, 2006
month day year 19'E of

OPERATOR: License# 5363
Name: Berexco Inc.
Address: P.O. Box 20380
Wichita, KS 67208
City/State/Zip: _____
Contact Person: Evan Mayhew
Phone: (316) 265-3311

CONTRACTOR: License# 5147
Name: Beredco Inc.

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 QWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other _____

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

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

* Skid rig from 15-189-22507-0000
Prorated & spaced Hugoton & Panoma

Spot _____ East
C NE NE SW Sec. 29 Twp. 34 S. R. 36 West
2310 feet from N / S Line of Section
2329 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Stevens
Lease Name: Parker Estate Well #: 2-X
Field Name: _____

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

* Nearest Lease or unit boundary: 311

Ground Surface Elevation: 3076 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: 700'

Depth to bottom of usable water: 740'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 1770 ft 8-5/8"

Length of Conductor Pipe required: N/A

Projected Total Depth: 6850 ft

Formation at Total Depth: Mississippi

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

* Set conductor well off-spot moved to
15-189-22522-0000

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. **RECEIVED KANSAS CORPORATION COMMISSION**
It is agreed that the following minimum requirements will be met:

MAY 04 2006

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 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: May 1, 2006 Signature of Operator or Agent: Richard R. Smith Title: Engineering Technician

Remember to:

- 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;
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: _____

Date: _____

For KCC Use ONLY

API # 15 - 189-22523-0000

Conductor pipe required None feet

Minimum surface pipe required 760 feet per Alt. DX

Approved by: Per 5-5-06

This authorization expires: 11-5-06

(This authorization void if drilling not started within 6 months of approval date.)

Spud date: _____ Agent: _____

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

29
34
36W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

MAY 04 2006

Plat of acreage attributable to a well in a prorated or spaced field

CONSERVATION DIVISION
WICHITA, KS

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 189-22523-0000
Operator: Berexco Inc.
Lease: Parker Estate
Well Number: 2-X
Field: _____

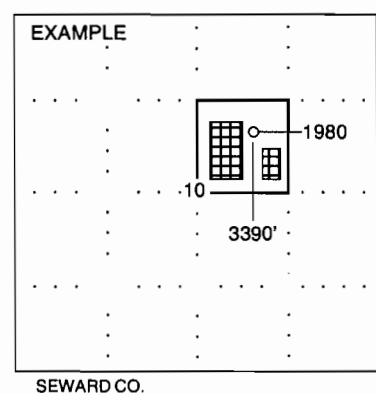
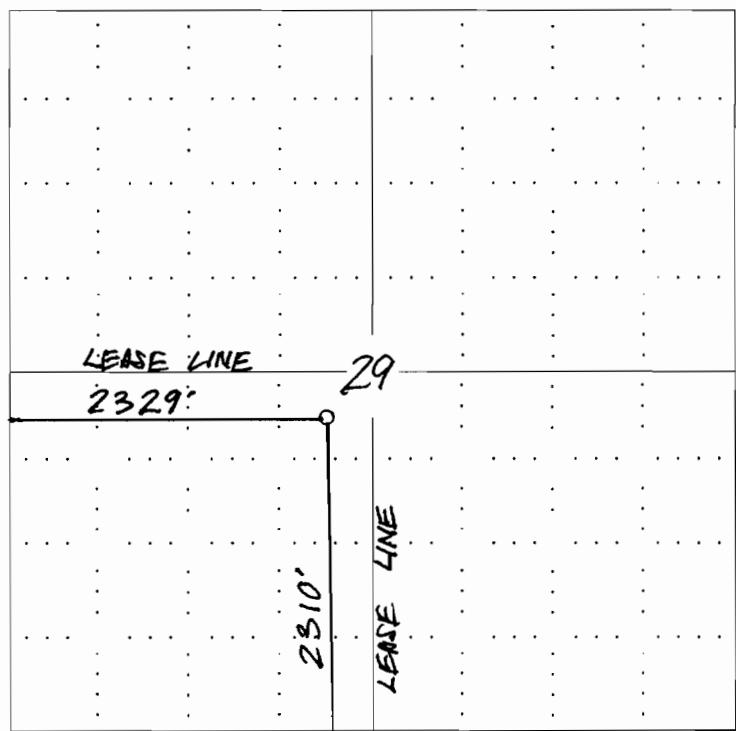
Location of Well: County: Stevens
2310 feet from N / S Line of Section
2329 feet from E / W Line of Section
Sec. 29 Twp. 34 S. R. 36 East West

Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: C NE - NE - SW
19' E. OF A

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 and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)*



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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

SKID RIG

RECEIVED
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT
CONSERVATION DIVISION
WICHITA, KS

Form CDP-1
 April 2004
 Form must be Typed

MAY 04 2006

Submit in Duplicate

Operator Name: Berexco Inc.		License Number: 5363	
Operator Address: P.O. Box 20380, Wichita, KS, 67208			
Contact Person: Evan Mayhew		Phone Number: (316) 265 - 3311	
Lease Name & Well No.: Parker Estate #2-X		Pit Location (QQQQ):	
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: 19'E of C . NE . NE . SW <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: April 2006 Pit capacity: _____ (bbls)	
		Sec. 29 Twp. 34S R. 36 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2310 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2329 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Stevens _____ County	
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?	
Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 4 _____ (feet)			
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 920 feet Depth of water well 685 feet		Depth to shallowest fresh water 154 feet. Source of information: KH KGS _____ measured _____ well owner _____ electric log _____ 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: Bentonite Mud Number of working pits to be utilized: 4 Abandonment procedure: Allow liquid to evaporate until bottom of pit is dry, then fill and level to contour of ground. 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.			
_____ 1 May 2006 Date		 _____ Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: 5/4/06 Permit Number: _____		Permit Date: 5/4/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

15-189-00503-0000

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