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KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1

December 2002

JUN 16 2006

Form must be Typed

Form must be Signed

blanks must be Filled

For KCC Use: Effective Date: 6-20-06 District #: 3 SGA? Yes No

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

CONSERVATION DIVISION WICHITA, KS

Expected Spud Date: 09/01/2006 month day year

Spot N/E - N/E - S/E Sec. 08 Twp. 30 S. R. 16 East West 2970 feet from N / S Line of Section 330 feet from E / W Line of Section

OPERATOR: License# 31941 Name: 3B Energy, Inc Address: PO Box 354 City/State/Zip: Neodesha, Ks 66757-0354 Contact Person: Bruce Burkhead Phone: 620-325-3313 (cell) 620-330-7854

Is SECTION Regular Irregular?

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

County: Wilson

Lease Name: Bryan Well #: 16

Field Name: Neodesha

CONTRACTOR: License# 5675 Name: McPherson Drilling

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippi

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 820 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: 100+

Depth to bottom of usable water: 200+

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 20 Ft.

Length of Conductor Pipe required:

Projected Total Depth: 1050

Formation at Total Depth: Lime

Water Source for Drilling Operations: Well Farm Pond Other City

DWR Permit #:

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone:

Well Drilled For: Oil Gas OAWD Seismic Other Well Class: Enh Rec Storage Disposal Other Type Equipment: Infield Pool Ext Wildcat Other Mud Rotary Air Rotary Cable

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 #:

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: 6-16-06 Signature of Operator or Agent: [Signature] Title: Pres

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KCC WICHITA

For KCC Use ONLY API # 15 - 205-26794-000 Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. Approved by: [Signature] This authorization expires: 12-21-06 (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent:

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:

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

8 30 16E

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

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

**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 - 005-26794-0000  
 Operator: 3B Energy, Inc  
 Lease: Bryan  
 Well Number: 16  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: 20  
 QTR / QTR / QTR of acreage: N/E - N/E - S/E

Location of Well: County: Wilson  
2970 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
 Sec. 08 Twp. 30 S. R. 16  East  West

Is Section:  Regular or  Irregular

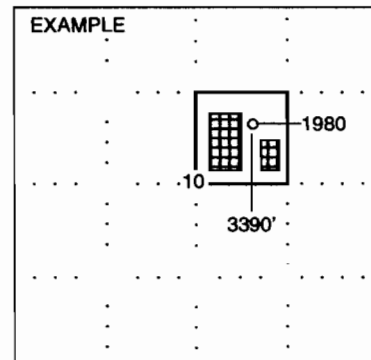
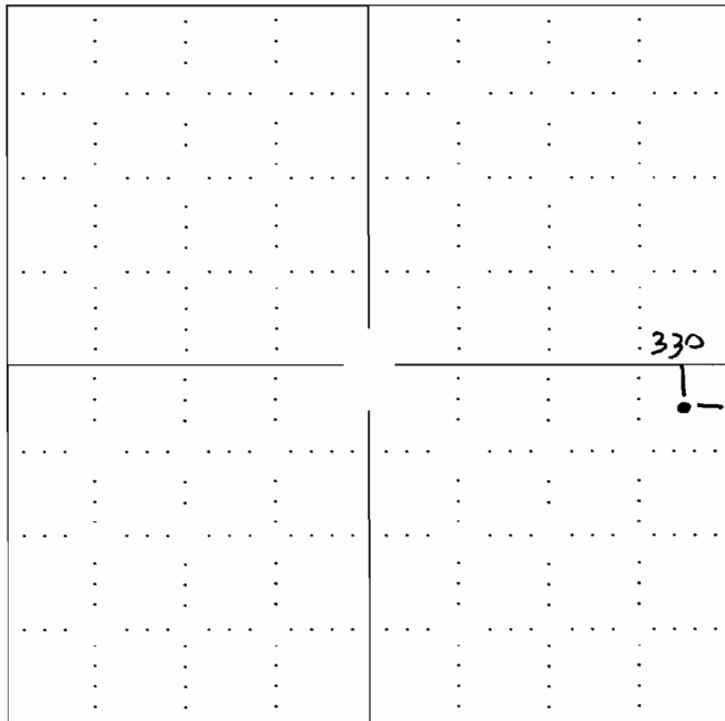
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

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**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.)*



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**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: (CO-7 for oil wells; CG-8 for gas wells).

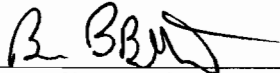
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**KANSAS CORPORATION COMMISSION**  
**OIL & GAS CONSERVATION DIVISION**  
**APPLICATION FOR SURFACE PIT**

Form CDP-1  
 April 2004  
 Form must be Typed

**CONSERVATION DIVISION**  
**WICHITA, KS**

*Submit in Duplicate*

**JUN 16 2006**

Operator Name: <b>3B Energy, Inc</b>		License Number: <b>31941</b>
Operator Address: <b>PO Box 354</b>		
Contact Person: <b>Bruce Burkhead</b>		Phone Number: ( <b>620</b> ) <b>325 - 3313</b>
Lease Name & Well No.: <b>Bryan 16</b>		Pit Location (QQQQ): <b>C - N/E - N/E - S/E</b>
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: <b>160</b> (bbls)	Sec. <b>08</b> Twp. <b>30</b> R. <b>16</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>2970</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>330</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Wilson</b> 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): <b>60</b> Length (feet) <b>10</b> Width (feet)    _____ N/A: Steel Pits Depth from ground level to deepest point: <b>5</b> (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 <b>NA</b> feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Water</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Fill in with dozer and reseed</b> 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.		
<b>6-16-06</b> Date		 Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>6/16/06</b> Permit Number: _____    Permit Date: <b>6/21/06</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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15-205-26794-022