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KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 December 2002

JUN 20 2006

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

For KCC Use: Effective Date: District #: SGA? Yes No

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

CONSERVATION DIVISION WICHITA, KS

Expected Spud Date: June 21 2006

Spot C N/2 SE Sec. 26 Twp. 9 S. R. 23 1980 feet from N/S Line of Section 1320 feet from E/W Line of Section

OPERATOR: License# 32688 Name: H & R Well Services, Inc. Address: 17509 County Road 14 City/State/Zip: Fort Morgan, Colorado 80701 Contact Person: Dave Rebol Phone: 970-867-9007

Is SECTION Regular Irregular?

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

CONTRACTOR: License# 32382 Name: Swift Services, Inc.

County: Graham Lease Name: Hill City High School Well #: 9 Field Name: Vesper

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Lansing - Kansas City

Nearest Lease or unit boundary: Hill City High School

Ground Surface Elevation: 2413 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: 1100

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 193 feet

Length of Conductor Pipe required: NA

Projected Total Depth: 3940 feet

Formation at Total Depth: Kansas City

Water Source for Drilling Operations: Well Farm Pond Other water hauled

DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone:

Well Drilled For: Oil Gas CMO Seismic; # of Holes Other Intent to re-enter plugged well to re-plug Well Class: Enh Rec Storage Disposal Infield Pool Ext Wildcat Other Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows: Operator: Dane G. Hansen Estate Well Name: Hill City High School # 9 Original Completion Date: 5-12-1966 Original Total Depth: 3940'

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: June 19, 2006 Signature of Operator or Agent: Dave Rebol Title: Vice President

Signature of Dave Rebol

For KCC Use ONLY API # 15 - 065-30189-00-01 Conductor pipe required None feet Minimum surface pipe required 193 feet per Alt. X(2) Approved by: Rust 6-21-06 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:

26 9 23

JUN 20 2006

CONSERVATION DIVISION
WICHITA, KS

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 - 065-3018900 - 00-01
Operator: H & R Well Services, Inc.
Lease: Hill City High School
Well Number: 9
Field: Vesper
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: C - N/2 - SE

Location of Well: County: Graham
1980 feet from N / S Line of Section
1320 feet from E / W Line of Section
Sec. 26 Twp. 9 S. R. 23 East West

Is Section: Regular or Irregular

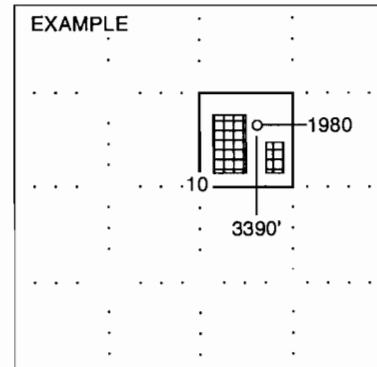
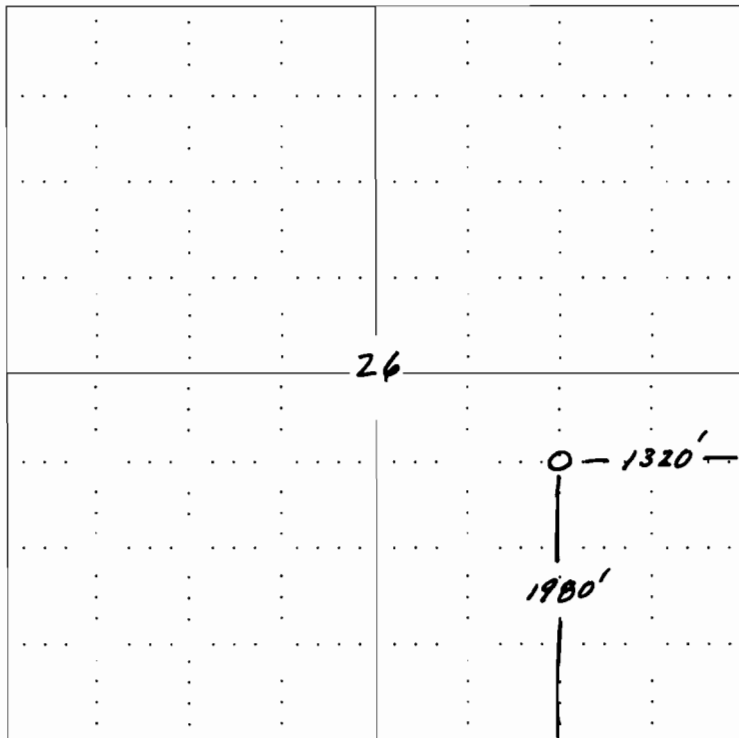
If Section is Irregular, locate well from nearest corner boundary.

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.)



SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling locaton.

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).

JUN 20 2006

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

Operator Name: H & R Well Services, Inc.		License Number: 32688
Operator Address: 17509 County Road 14, Fort Morgan, Colorado 80701		
Contact Person: Dave Rebol		Phone Number: (970) 867 - 9007
Lease Name & Well No.: Hill City High School # 9		Pit Location (QQQQ): _____ C _____ N/2 _____ SE Sec. <u>26</u> Twp. <u>9 S</u> R. <u>23</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West _____ Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section _____ Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Graham _____ County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> 15-065-3078900	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ 80 (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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <u>15</u> Length (feet) <u>8</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>8</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Heavy, continuous, construction 6 mill plastic laid into bottom of pit and anchored around perimeter with removed dirt.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Liner inspected for damage and correct placement. Fluid level monitored to determine if pit is leaking.
Distance to nearest water well within one-mile of pit <u>1650</u> feet Depth of water well <u>120</u> feet		Depth to shallowest fresh water <u>100</u> feet. ① Source of information: <input checked="" type="checkbox"/> 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: <u>Water and mud</u> Number of working pits to be utilized: <u>one</u> Abandonment procedure: <u>Remove fluids and properly dispose, pull plastic liner and backfill pit with original removed dirt.</u> 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.		
<u>06-19-2006</u> Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>6/21/06</u> Permit Number: _____ Permit Date: <u>6/21/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-065-30189-00-01

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
211 No. Broadway
Wichita, Kansas

WELL PLUGGING RECORD

15-005-30189-00-00

GRAHAM County, Sec. 26 Twp. 9 Rge. 23 (X) W (W)

Location as "NE/CNW/SW" or footage from lines C N LINE SE/4

Lease Owner DANE G HANSEN ESTATE

Lease Name HILL CITY HIGH SCHOOL Well No. 9

Office Address LOGAN, KANSAS

Character of Well (completed as Oil, Gas or Dry Hole) DRY HOLE

Date well completed MAY 20, 1966 19

Application for plugging filed MAY 20, 1966 19

Application for plugging approved MAY 20, 1966 19

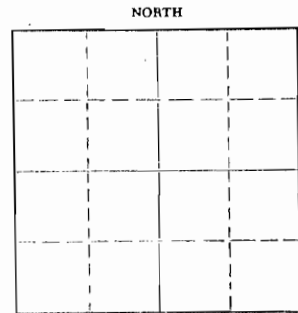
Plugging commenced MAY 20, 1966 19

Plugging completed MAY 20, 1966 19

Reason for abandonment of well or producing formation TOO LOW STRUCTURALLY

If a producing well is abandoned, date of last production 19

Was permission obtained from the Conservation Division or its agents before plugging was commenced?



Name of Conservation Agent who supervised plugging of this well W. L. NICHOLS, MORELAND, KANSAS

Producing formation Depth to top Bottom Total Depth of Well 3940' Feet

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"	193.47'	NONE

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 for each plug set.

FILLED WITH HEAVY MUD TO 540'. SET PLUG. PUT IN 20 SACKS CEMENT. FILLED WITH HEAVY MUD TO 190'. SET PLUG. PUT IN 1/2 SACK HULLS AND 20 SACKS CEMENT. FILLED WITH HEAVY MUD UP TO 40'. SET PLUG. FILLED TO TOP WITH 10 SACKS CEMENT AND 1/2 SACK HULLS.

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STATE CORPORATION COMMISSION

MAY 26 1966

CONSERVATION DIVISION
STATE CORPORATION COMMISSION

Name of Plugging Contractor C-G DRILLING COMPANY
Address 107 RULF BUILDING, WICHITA 2, KANSAS

STATE OF KANSAS, COUNTY OF SEDGWICK, ss.
G F GALLOWAY (employee of owner) or (owner or operator) of the 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 and that the same are true and correct. So help me God.

(Signature) G F GALLOWAY 107 RULF BUILDING
(Address)

SUBSCRIBED AND SWORN TO before me this 23 day of MAY, 1966

My commission expires 5/24/67 VICKY JACOBS Notary Public.