

SKID RIG

For KCC Use: Effective Date: 2-10-07 District #: 2 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date February 5, 2007 month day year

Spot SE/4 - NW/4 - SE/4 Sec. 29 Twp. 34S S. R. 3 East West 1550 feet from N / S Line of Section 2020 feet from E / W Line of Section Is SECTION Regular Irregular?

OPERATOR: License# 31885 Name: M & M Exploration, Inc. Address: 60 Garden Center, Suite 102 Broomfield, CO 80020 Contact Person: Mike Austin Phone: 303-438-1991

CONTRACTOR: License# 33843 Name: Terra Drilling, LLC

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

County: Sumner Lease Name: Kleinsorge Well #: 1-A Field Name: Subara Southwest Is this a Prorated / Spaced Field? Target Formation(s): Simpson Nearest Lease or unit boundary: 955' Ground Surface Elevation: 1145' Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 160' Depth to bottom of usable water: 230' Surface Pipe by Alternate: 1 Length of Surface Pipe Planned to be set: 250' Length of Conductor Pipe required: None Projected Total Depth: 4900' Formation at Total Depth: Simpson Water Source for Drilling Operations: Well Farm Pond Other Creek DWR Permit #:

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 #:

Will Cores be taken? Yes No If Yes, proposed zone:

AFFIDAVIT

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The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-2202.

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; 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: February 5, 2007 Signature of Operator or Agent: Title: President

For KCC Use ONLY API # 15 - 191-22505-00-00 Conductor pipe required NONE feet Minimum surface pipe required 250 feet per Alt. Approved by: WJM 2-5-07 This authorization expires: 8-5-07 Spud date: Agent:

Remember to: File Drill PR 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

29 34 3W

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 - 191-22505-00-00
 Operator: M & M Exploration, Inc.
 Lease: Klainsorge
 Well Number: 1-A
 Field: Subera Southwest
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SE/4 - NW/4 - SE/4

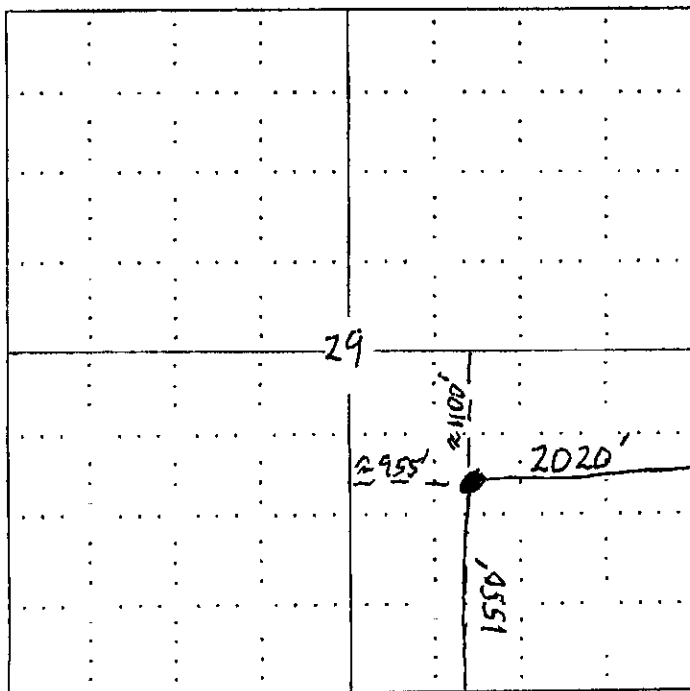
Location of Well: County: Sumner
1550 feet from N / S Line of Section
2020 feet from E / W Line of Section
 Sec. 29 Twp. 34S S. R. 3 East West

Is Section: Regular or Irregular

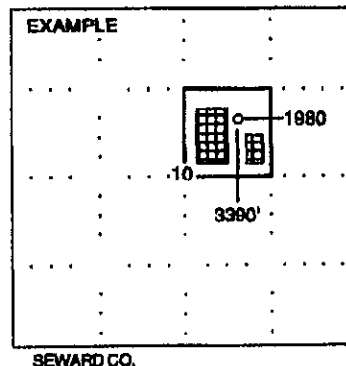
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



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

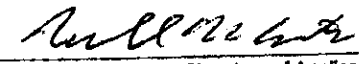
In plotting the proposed location of the well, you must show:

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).

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

Form GDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: M & M Exploration, Inc.		License Number: 31885
Operator Address: 60 Garden Center, Suite 102 Broomfield, CO 80020		
Contact Person: Mike Austin		Phone Number: (303) 438 - 1991
Lease Name & Well No.: Kleinsorge #1-A		Pit Location (QQQQ): SE^{SW}1/4 NW/4 SE/4
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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: November 1, 2006 Pit capacity: _____ (bbls)	Sec. 29 Twp. 34S R. 3 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1550 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2000 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Sumner _____ County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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? Native Clay
Pit dimensions (all but working pits): 100 Length (feet) 100 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 N/4 feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: Evaporate then backfill _____ 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.		
February 5, 2007 Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 2/5/07	Permit Number: _____	Permit Date: 2/5/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

RF 72HRS

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15-191-22505-06-202

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

November 13, 2006

Mr. Mike Austin
M & M Exploration, Inc.
60 Garden Center, Ste 102
Broomfield, CO 80020

RE: Drilling Pit Application
Kleinsorge Lease Well No. 1
SE/4 Sec. 29-34S-03W
Sumner County, Kansas

Dear Mr. Austin:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 72 hours of drilling completion.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,


Kathy Haynes
Environmental Protection and Remediation Department

cc: File

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us

15-191-22505-06-05