

KCC Use: 2-18-07
Effective Date: 2-18-07
District # 3
3A? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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KANSAS CORPORATION COMMISSION

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

FEB 13 2007

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

CONSERVATION DIVISION
WIGONIA, KS

Expected Spud Date 2/28/07
month day year

OPERATOR: License# 33740
Name: Hemi Energy Group, Inc.
Address: P.O. Box 123
City/State/Zip: Graham, TX 76450
Contact Person: Craig L. Treiber
Phone: 918-607-8505

CONTRACTOR: License# 5495
Name: McPhearson Drilling Co.

Spot NW - NW - SW Sec. 21 Twp. 25 S. R. 17 East West
2475 feet from N / S Line of Section
4726 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

County: Woodson
Lease Name: Reno Well #: Hemi 9
Field Name: Perry Halligen Humboldt-Chanute

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Squirrel
Nearest Lease or unit boundary: 165' S of North Line

Ground Surface Elevation: 1006 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: NA 100'

Depth to bottom of usable water: NA 200'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe required: NA

Projected Total Depth: 815'

Formation at Total Depth: Squirrel

Water Source for Drilling Operations: Well Farm Pond Other Municipal

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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: 2/12/07 Signature of Operator or Agent: Craig L. Treiber Title: VP/COO

For KCC Use ONLY

API # 15 - 207-27113-0000

Conductor pipe required None feet

Minimum surface pipe required 20 feet per Alt. X 2

Approved by: 2-13-07

This authorization expires: 8-13-07

(This authorization void if drilling not started within 6 months of effective 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: _____

21
25
17E

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 - 207-27113-0000

Operator: Hemi Energy Group, Inc.

Lease: Reno

Well Number: Reno Hemi 9

Field: Perry Halligan

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: NW - NW - SW

Location of Well: County: Woodson

2475 feet from N / S Line of Section

4896 feet from E / W Line of Section

Sec. 21 Twp. 25 S. R. 17 East West

Is Section: Regular or Irregular

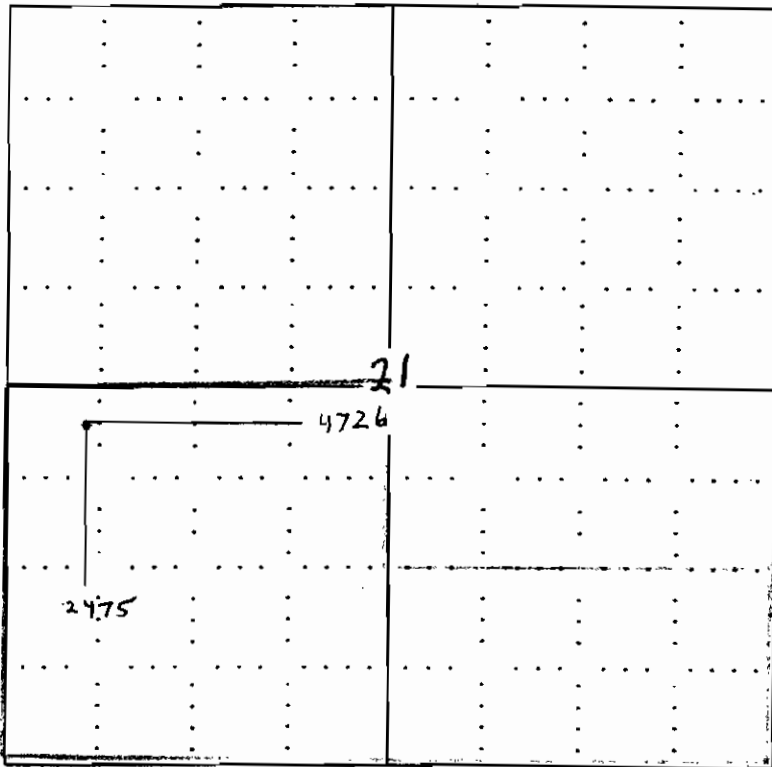
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

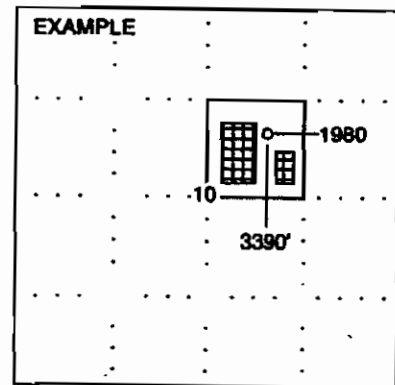
PLAT

(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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 CONSERVATION DIVISION
 WICHITA, KS



SEWARD CO.

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

Woodson County

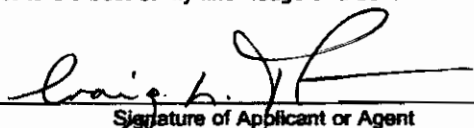
In plotting the proposed location of the well, you must show:

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;

FEB 13 2007

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

Operator Name: <u>Hemi Energy Group, Inc.</u>		License Number: <u>33740</u>	
Operator Address: <u>P.O. Box 63, Piqua, KS 66761</u>			
Contact Person: <u>Craig L. Treiber</u>		Phone Number: (<u>918</u>) <u>607-8505</u>	
Lease Name & Well No.: <u>Reno Hemi 9</u>		Pit Location (QQQQ): <u>NE - NW - NW - SW</u>	
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: <u>200</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>NA</u> 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? <u>NA Air Drilling Pit</u>			
Pit dimensions (all but working pits): <u>20</u> Length (feet) <u>8</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (feet)			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <u>NA</u>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <u>NA</u>	
Distance to nearest water well within one-mile of pit <u>NA</u> feet Depth of water well _____ feet		Depth to shallowest fresh water <u>NA</u> 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: <u>Water, Cement</u> Number of working pits to be utilized: <u>Fill with dozed dirt</u> Abandonment procedure: _____ 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>2/12/07</u> Date		 Signature of Applicant or Agent	

15-207-27113-0000

KCC OFFICE USE ONLY

Date Received: 2/13/07 Permit Number: _____ Permit Date: 2/13/07 Lease Inspection: Yes No