

For KCC Use: 2-26-07
Effective Date: 2-26-07
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date March 10, 2007
month day year

OPERATOR: License# 31930 ✓
Name: BlueRidge Petroleum Corporation
Address: P.O. Box 1913
City/State/Zip: Enid, OK 73702
Contact Person: Jonathan Allen
Phone: 580-242-3732

CONTRACTOR: License# 33793 ✓
Name: H2 Drilling LLC

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input checked="" type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> 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 #: _____

Oil & Gas Lease Attached (w/2)

Spot SE _____ SW _____ NW _____ Sec. 35 Twp. 18S S. R. 26 East West

2400 feet from N / S Line of Section
940 feet from E / W Line of Section

Is SECTION Regular Irregular?

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

County: Ness

Lease Name: Helen Well #: 1-35

Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippi

Nearest Lease or unit boundary: 940' ✓

Ground Surface Elevation: 2450 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: 180'

Depth to bottom of usable water: 1050' 925' ✓

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200' ✓

Length of Conductor Pipe required: None

Projected Total Depth: 4600' ✓

Formation at Total Depth: Mississippi ✓

Water Source for Drilling Operations:

Well Farm Pond Other _____

DWR Permit #: 20060442 ✓

(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 casing shall be cemented 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: 2/16/07 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
API # 15 - 135-24614-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. 102
Approved by: [Signature] 2-21-07
This authorization expires: 8-21-07
(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

RECEIVED
FEB 20 2007
KCC WICHITA

35
18
26W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

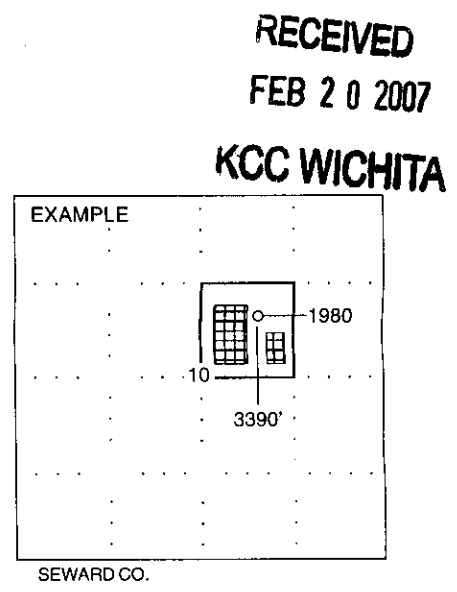
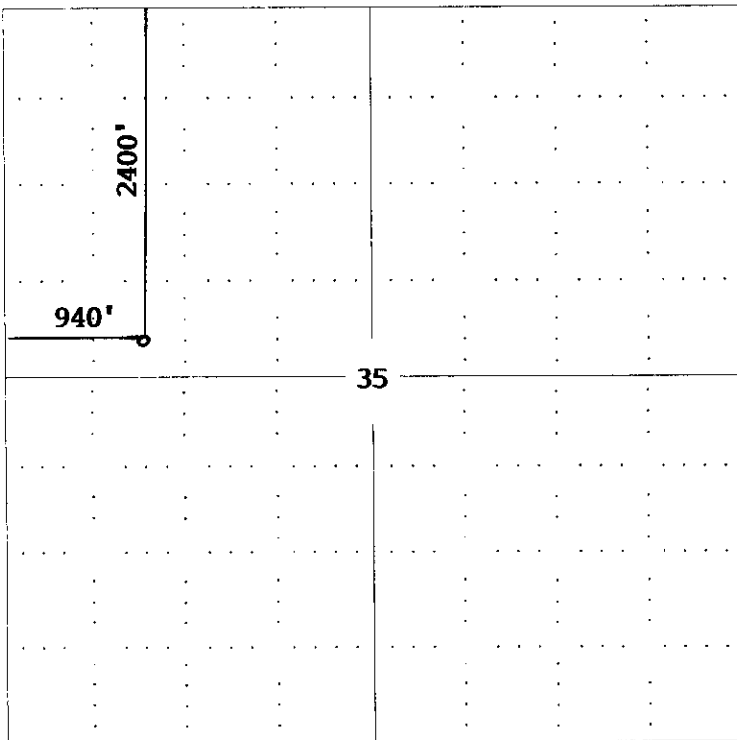
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 135-24614-0000
 Operator: BlueRidge Petroleum Corporation
 Lease: Helen
 Well Number: 1-35
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SE - SW - NW

Location of Well: County: Ness
 _____ 2400 feet from N / S Line of Section
 _____ 940 feet from E / W Line of Section
 Sec. 35 Twp. 18S S. R. 26 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 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 locaton.

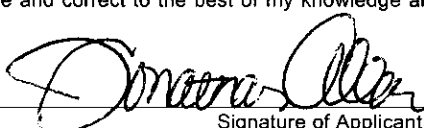
In plotting the proposed location of the well, you must show:

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

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

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: BlueRidge Petroleum Corporation		License Number: 31930
Operator Address: P.O. Box 1913 Enid, OK 73702		
Contact Person: Jonathan Allen		Phone Number: (580) 242 - 3732
Lease Name & Well No.: Helen #1-35		Pit Location (QQQQ): <u> </u> - <u>SE</u> - <u>SW</u> - <u>NW</u> Sec. <u>35</u> Twp. <u>18S</u> R. <u>26W</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2400</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>940</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u> </u> Feet from <u> </u> East / <u> </u> West Line of Section <u> </u> Feet from <u> </u> East / <u> </u> West Line of Section Ness County
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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>3000</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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 & fresh mud
Pit dimensions (all but working pits): <u>70</u> Length (feet) <u>70</u> Width (feet) <u>X</u> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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 <u>1980</u> feet Depth of water well <u>45</u> feet		Depth to shallowest fresh water <u>22'</u> feet Source of information: _____ measured _____ well owner _____
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>Fresh mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Allow liquid contents to evaporate then backfill</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>2/16/07</u> Date		 Signature of Applicant or Agent

* The reserve pit will be earthen and steel pits will be used for the working pits.

**RECEIVED
FEB 20 2007**

KCC WICHITA

15-135-241614-0000

KCC OFFICE USE ONLY		
Date Received: <u>2/20/07</u>	Permit Number: _____	Permit Date: <u>2/21/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

RFAC
Keep pit away
Creek

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

February 21, 2007

Mr. Jonathan Allen
BlueRidge Petroleum Corporation
PO Box 1913
Enid, OK 73702

RE: Drilling Pit Application
Helen Lease Well No. 1-35
NW/4 Sec. 35-18S-26W
Ness County, Kansas

Dear Mr. Allen:

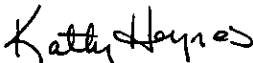
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. **Keep all pits away from creek.**

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 (620) 225-8888 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