

For KCC Use: 6-30-07
Effective Date: 6-30-07
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 July 10, 2007
month day year

OPERATOR: License# 6044
Name: Stelbar Oil Corporation, Inc.
Address: 1625 N. Waterfront Parkway, Suite #200
City/State/Zip: Wichita, KS 67206-6602
Contact Person: Roscoe L. Mendenhall
Phone: 316 / 264-8378

CONTRACTOR: License# 5142
Name: Sterling Drilling Company

Well Drilled For: ☒ Oil ☐ Enh Rec ☒ Gas ☐ Storage ☐ OWD ☐ Disposal ☐ Seismic; # of Holes ☐ Other
Well Class: ☒ Infield ☐ Pool Ext. ☐ Wildcat ☐ Other
Type Equipment: ☒ 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 #: _____

Spot NE/4 NE/4 SW/4 Sec. 24 Twp. 30 S. R. 41 ☐ East ☒ West
2310' feet from ☐ N / ☒ S Line of Section
2150' feet from ☐ E / ☒ W Line of Section

Is SECTION ☒ Regular ☐ Irregular?

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

County: Stanton

Lease Name: Armstrong 'A' Well #: 1

Field Name: Beauchamp

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Morrow

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 3,354' 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: 260 Ft.

Depth to bottom of usable water: 620 Ft.

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 1700 FT.

Length of Conductor Pipe required: None

Projected Total Depth: 5600 Ft.

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

☒ Well ☐ Farm Pond ☐ Other

DWR Permit #: Not Yet Available

(Note: Apply for Permit with DWR ☒)

Will Cores be taken? ☐ Yes ☒ No

If Yes, proposed zone: _____

PRORATED & SPACED: HUBOTON

AFFIDAVIT

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 22 2007

CONSERVATION DIVISION

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 18, 2007 Signature of Operator or Agent: Roscoe L. Mendenhall Title: Vice-President / Operations

For KCC Use ONLY

API # 15 - 187-21103-0000

Conductor pipe required None feet

Minimum surface pipe required 640 feet per Alt 1

Approved by: RHM 6-25-07

This authorization expires: 6-25-07

(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: _____

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

24
30
41W

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 - 187-21103-0000
 Operator: Stelbar Oil Corporation, Inc.
 Lease: Armstrong 'A'
 Well Number: #1
 Field: _____
 Number of Acres attributable to well: 160
 QTR / QTR / QTR of acreage: _____ - _____ - SW/4

Location of Well: County: Stanton
 2310' _____ feet from ☐ N / ☒ S Line of Section
 2150' _____ feet from ☐ E / ☒ W Line of Section
 Sec. 24 Twp. 30 S. R. 41 ☐ East ☒ West

Is Section: ☒ Regular or ☐ Irregular

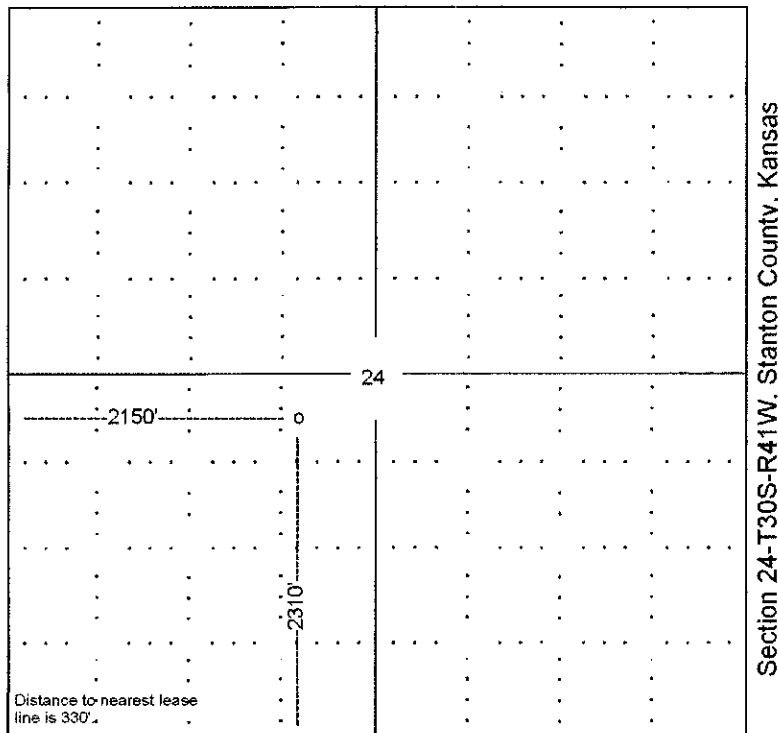
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

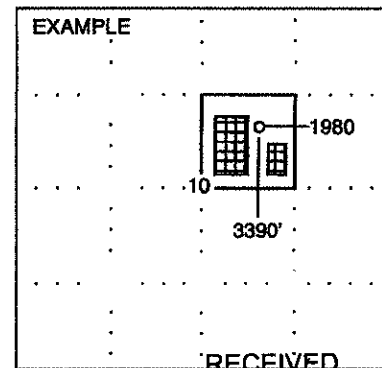
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



Section 24-T30S-R41W, Stanton County, Kansas



SEWARD CO. KANSAS CORPORATION COMMISSION

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

JUN 22 2007

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).

CONSERVATION DIVISION
 WICHITA, KS

**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: Stelbar Oil Corporation, Inc.		License Number: 6044
Operator Address: 1625 N. Waterfront Parkway, Suite #200, Wichita, KS 67206-6602		
Contact Person: Roscoe L. Mendenhall		Phone Number: (316) 264 - 8378
Lease Name & Well No.: Armstrong 'A' #1		Pit Location (QQQQ): _____ - NE/4 - NE/4 - SW/4 Sec. 24 Twp. 30S R. 41 ☐ East ☒ West 2310' Feet from ☐ North / ☒ South Line of Section 2150' Feet from ☐ East / ☒ West Line of Section Stanton _____ County
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: 10,700 _____ (bbbls)	
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used? Drilling Mud.
Pit dimensions (all but working pits): 100 Ft. _____ Length (feet) 100 Ft. _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 6 Ft. _____ (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 3462 feet Depth of water well 245 feet		Depth to shallowest fresh water 80 Ft. 80 feet. Source of information: _____ measured _____ well owner _____ electric log ☒ ² KQWR
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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Drilling Mud. Number of working pits to be utilized: Three (3). Abandonment procedure: Allow pits to dry and fill with soil. RECEIVED 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. STELBAR OIL CORPORATION, INC. June 18, 2007 _____ Date		JUN 22 2007 CONSERVATION DIVISION WICHITA, KS Signature of Applicant or Agent (Roscoe L. Mendenhall, Vice Pres./Operations)

KCC OFFICE USE ONLY

Date Received: 6/22/07 Permit Number: _____ Permit Date: 6/22/07 Lease Inspection: ☐ Yes ☒ No

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

15-187-2103-000