

KCC Use: Effective Date: 7-18-07
 Spud Date: _____
 District #: 3
 A? Yes No

**KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION**

Form C-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: 7/16/07
 month day year

Operator: License# 33740
 Name: Hemi Energy Group, Inc.
 Address: 131 East Exchange Ave., #223
Ft. Worth, TX 76106
 Contact Person: Craig Treiber
 Phone: 918-607-8505

Contractor: License# 5495 5675 per operator
 Name: McPherson Drilling

<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes _____	<input type="checkbox"/> Other _____		

OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____
 Directional, Deviated or Horizontal wellbore? Yes No
 True vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot East West
SE - SW - NE Sec 12 Twp. 31 S. R. 16
643' 3283 feet from N / S Line of Section
1397' feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Montgomery
 Lease Name: Sturgeon Lease Well #: Hemi #1
 Field Name: Neodasha
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippi Lime
 Nearest Lease or unit boundary: 643' FSL
 Ground Surface Elevation: 990 est 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: Unknown 100±
Unknown 150
 Depth to bottom of usable water: _____
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 21'
 Length of Conductor Pipe required: NA
 Projected Total Depth: 1350'
 Formation at Total Depth: Mississippi Lime
 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

RECEIVED
 KANSAS CORPORATION COMMISSION
 WICHITA, KS

JUL 12 2007

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-5501 and that 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: 7/12/07 Signature of Operator or Agent: Craig H. [Signature] Title: COO/VP

Remember to:

- File Drift 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: _____

For KCC Use ONLY
 API # 15 - 125-31412-0000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per Alt. X2
 Approved by: [Signature] 7-13-07
 This authorization expires: 1-13-08
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

12
 31
 190E

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.

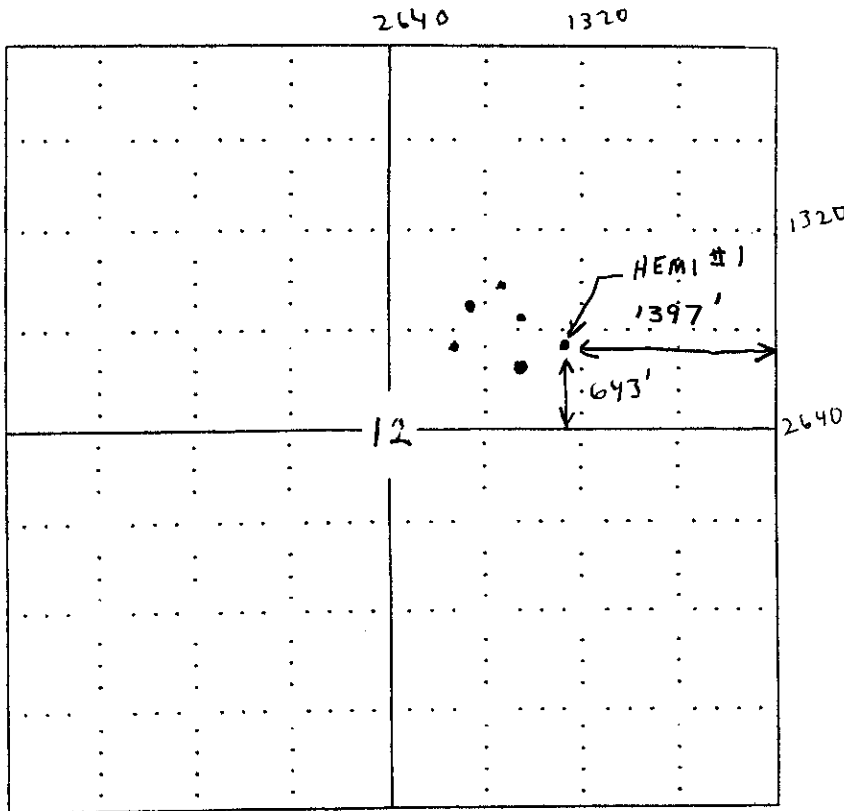
API No. 15 - 125-3412-0000
 Operator: Hemi Energy Group, Inc.
 Lease: Sturgeon Lease
 Well Number: Hemi #1
 Field: Neodasha
 Number of Acres attributable to well: 20
 QTR / QTR / QTR of acreage: SE - SW - NE

Location of Well: County: Montgomery
643' 3283 per operator feet from N / S Line of Section
1397' feet from E / W Line of Section
 Sec. 12 Twp. 31 S. R. 16 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.)

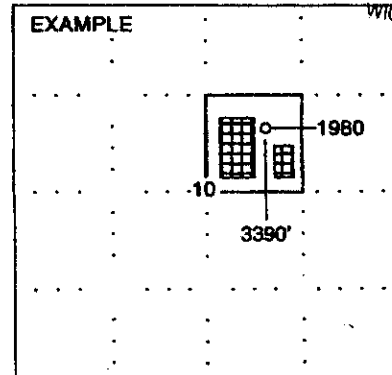


OLD well LOCATIONS ARE APPROXIMATE
CLT 7/12/07

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 12 2007

CONSERVATION DIVISION
WICHITA, KS



SEWARD CO.

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

Montgomery County

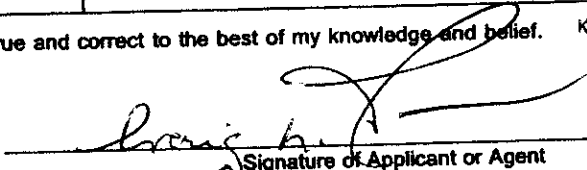
In plotting the proposed location of the well, you must show:

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.

**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: <u>Hemi Energy Group, Inc.</u>		License Number: <u>33740</u>
Operator Address: <u>131 East Exchange Ave. #223, Ft. Worth, TX 76106</u>		
Contact Person: <u>Craig Treiber</u>		Phone Number: <u>(918) 607 - 8505</u>
Lease Name & Well No.: <u>Sturgeon Lease, Hemi #1</u>		Pit Location (QQQQ): <u>NE SE SW NE</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>800</u> +/- (bbls)	Sec. <u>12</u> Twp. <u>31</u> R. <u>16</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>3305</u> per operator <u>665</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1385</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Montgomery</u> County
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 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>30</u> Length (feet) <u>10</u> Width (feet) <u>NA</u> 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. <u>NA</u>	Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <u>Visual Inspection</u>	
Distance to nearest water well within one-mile of pit <u>NA</u> <u>3000</u> feet + Depth of water well <u>200</u> +/- feet	Depth to shallowest fresh water <u>100'</u> +/- feet. Source of information: <u>KCC API 207 27112 0000</u> _____ measured _____ well owner _____ electric log _____ KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: <u>NA</u> 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>1</u> Abandonment procedure: <u>Backfill with dozed 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>7/11/07</u> Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION JUL 12 2007 CONSERVATION DIVISION WICHITA, KS

15-125-31412-0000

KCC OFFICE USE ONLY

Date Received: 7/12/07 Permit Number: _____ Permit Date: 7/12/07 Lease Inspection: Yes No

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