

For KCC Use:  
Effective Date: 9-3-07  
District # 1  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1011743  
OIL & GAS CONSERVATION DIVISION

Form C-1  
November 2005  
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: 09/01/2007  
month day year

OPERATOR: License# 5147  
Name: Beredco, Inc.  
Address 1: PO BOX 20380  
Address 2:  
City: WICHITA State: KS Zip: 67208 + 1380  
Contact Person: Evan Mayhew  
Phone: 316-265-2856

CONTRACTOR: License# 5147  
Name: Beredco, Inc.

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

**PRORATED & SPACED HUGOTON-PANOMA**

Spot Description: \_\_\_\_\_  
SE NE SE Sec. 10 Twp. 34 S. R. 38  E  W  
(or or) 1,650 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

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

County: Stevens  
Lease Name: Grace B Well #: 2-10  
Field Name: Wildcat

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Morrow

Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 3226 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: 620

Depth to bottom of usable water: 640

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 1750

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: 6500

Formation at Total Depth: Chester

Water Source for Drilling Operations:

Well  Farm Pond  Other: \_\_\_\_\_

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: Aug/29/2007 Signature of Operator or Agent: Richard R Smith Title: ENGINEERING TECHNICIAN

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AUG 29 2007  
CONSERVATION DIVISION

For KCC Use ONLY  
API # 15 - 189-22609-0000  
Conductor pipe required 0 feet  
Minimum surface pipe required 660 feet per ALT.  I  II  
Approved by: Jan 8-29-07  
This authorization expires: 2-29-08  
(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 (within 60 days);
- 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 Date: \_\_\_\_\_  
Signature of Operator or Agent: \_\_\_\_\_

10  
34  
38  
 E  
 W



1011743

**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 - 189-22609-0000  
Operator: Beredco, Inc.  
Lease: Grace B  
Well Number: 2-10  
Field: Wildcat

Location of Well: County: Stevens  
1,650 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
Sec. 10 Twp. 34 S. R. 38  E  W

Number of Acres attributable to well: \_\_\_\_\_  
QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ SE \_\_\_\_\_ NE \_\_\_\_\_ SE

Is Section:  Regular or  Irregular

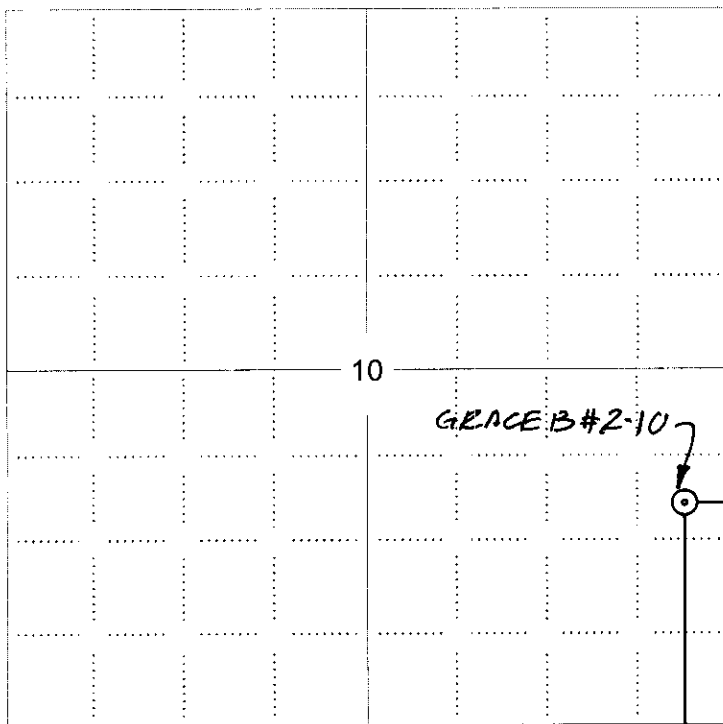
**If Section is Irregular, locate well from nearest corner boundary.**

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.)*



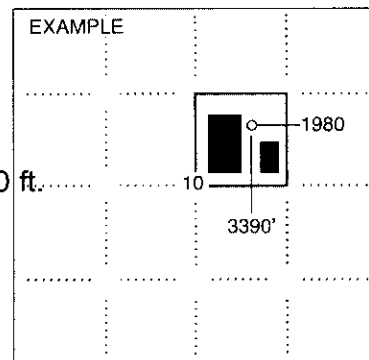
**NOTE: In all cases locate the spot of the proposed drilling locaton.**

1650 ft.

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CONSERVATION DIVISION  
MICHIGAN, KS



**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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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 1011743  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
April 2004  
Form must be Typed

**APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name: <b>Beredco, Inc.</b>		License Number: <b>5147</b>	
Operator Address: <b>PO BOX 20380</b>		<b>WICHITA KS 67208</b>	
Contact Person: <b>Evan Mayhew</b>		Phone Number: <b>316-265-2856</b>	
Lease Name & Well No.: <b>Grace B 2-10</b>		Pit Location (QQQQ): <b>SE NE SE</b> Sec. <b>10</b> Twp. <b>34</b> R. <b>38</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1,650</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>330</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Stevens</b> 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 <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: <b>10,250</b> (bbls)	
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? Pit is self-sealing with Bentonite drilling mud, native clay and drill solids.			
Pit dimensions (all but working pits): <b>120</b> Length (feet) <b>120</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: <b>4</b> (feet) <input type="checkbox"/> No Pit	
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.	
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Distance to nearest water well within one-mile of pit <b>2384</b> feet    Depth of water well <b>400</b> feet		Depth to shallowest fresh water <b>233</b> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Bentonite/Chemical Mud</b> Number of working pits to be utilized: <b>4</b> Abandonment procedure: <b>Allow liquid to evaporate until bottom of pit is dry, then push in sides, fill and level to contour of ground.</b> 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.			
<b>Aug/29/2007</b> Date		<b>Richard R. Smith</b> Signature of Applicant or Agent	
<b>KCC OFFICE USE ONLY</b>			
Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: <b>8/29/07</b> Permit Number: _____ Permit Date: <b>8/29/07</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

15-189-22609-0000