

For KCC Use: 10-29-07  
 Effective Date: 10-29-07  
 District #: 1  
 SGA?  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 October 26, 2007  
 month day year

Spot NW SE NE Sec. 12 Twp. 34 S. R. 23  East  West  
1650 feet from  N /  S Line of Section  
990 feet from  E /  W Line of Section

OPERATOR: License# 5254  
 Name: MIDCO Exploration, Inc.  
 Address: 414 Plaza Drive, Suite 204  
 City/State/Zip: Westmont, IL 60559  
 Contact Person: Earl J. Joyce, Jr.  
 Phone: 630-655-2198

Is SECTION  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 5822  
 Name: VAL Energy, Inc.

County: Clark  
 Lease Name: Klinger Well #: 1-12  
 Field Name: Wildcat

Well Drilled For:  Oil  Enh Rec  Infield  Mud Rotary  
 Gas  Storage  Pool Ext.  Air Rotary  
 OWWO  Disposal  Wildcat  Cable  
 Seismic; # of Holes  Other

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Mississippi  
 Nearest Lease or unit boundary: 990  
 Ground Surface Elevation: 1857 feet MSL

If OWWO: old well information as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Depth to bottom of fresh water: 160  
 Depth to bottom of usable water: 200/180  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 700  
 Length of Conductor Pipe required: None - 60 planned  
 Projected Total Depth: 5700  
 Formation at Total Depth: Mississippi  
 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: \_\_\_\_\_

RECEIVED  
 KANSAS CORPORATION COMMISSION

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

OCT 17 2007

It is agreed that the following minimum requirements will be met:

CONSERVATION DIVISION  
 WICHITA, KS

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: 10/16/07 Signature of Operator or Agent: [Signature] Title: Vice-President

For KCC Use ONLY  
 API # 15 - 025-21433-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per Alt. 1  
 Approved by: [Signature]  
 This authorization expires: 4/24/08  
 (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;
- 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

12  
 34  
 23W

**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 - 025-21433-0000  
Operator: MIDCO Exploration, Inc.  
Lease: Klinger  
Well Number: 1-12  
Field: Wildcat  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: NW - SE - NE

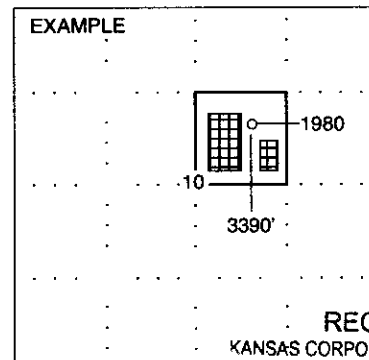
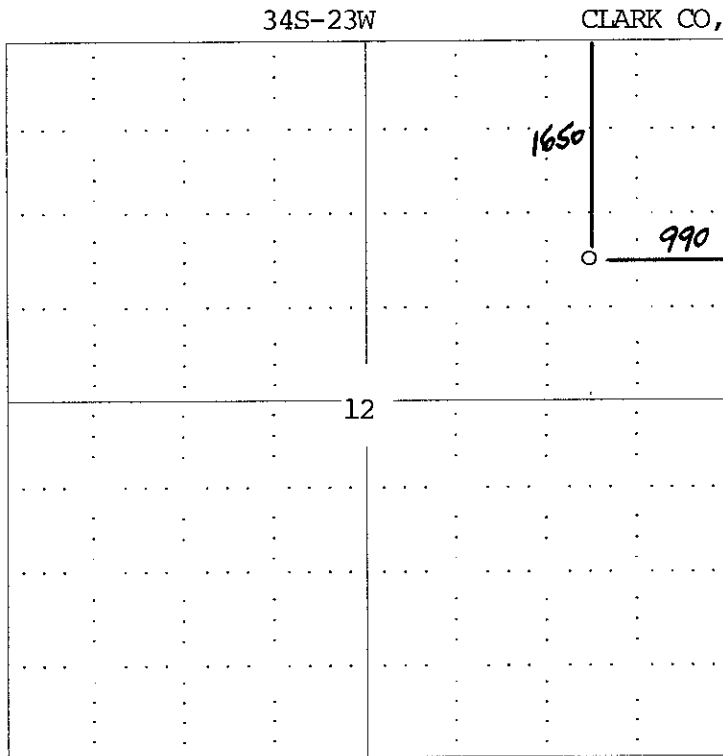
Location of Well: County: Clark  
1650 \_\_\_\_\_ feet from  N /  S Line of Section  
990 \_\_\_\_\_ feet from  E /  W Line of Section  
Sec. 12 Twp. 34 S. R. 23  East  West

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.)*



RECEIVED  
KANSAS CORPORATION COMMISSION

SEWARD CO.

OCT 17 2007

CONSERVATION DIVISION  
WICHITA, KS

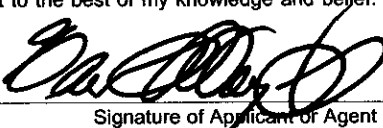
**In plotting the proposed location of the well, you must show:**

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 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: <b>MIDCO Exploration, Inc.</b>		License Number: <b>5254</b>
Operator Address: <b>414 Plaza Drive, Suite 204</b>		<b>Westmont, IL 60559</b>
Contact Person: <b>Earl J. Joyce, Jr.</b>		Phone Number: ( <b>630</b> ) <b>655 - 2198</b>
Lease Name & Well No.: <b>Klinger #1-12</b>		Pit Location (QQQQ): <b>NW SE NE</b> Sec. <b>12</b> Twp. <b>34S</b> R. <b>23</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1650</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>990</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Clark</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: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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 dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) <u>N/A</u> <b>Steel Pits</b> Depth from ground level to deepest point: <u>3</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>N/A</u> <u>3536</u> feet    Depth of water well <u>68</u> feet		Depth to shallowest fresh water <u>16</u> feet. Source of information: _____ measured _____ well owner _____ electric log <u>(1)</u> <b>KDWR</b>
<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: <u>Chemical mud</u> Number of working pits to be utilized: <u>4</u> Abandonment procedure: <u>When pits are dry they will be backfilled and restored</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>10/16/2007</u> Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION <b>OCT 17 2007</b>
<b>KCC OFFICE USE ONLY</b>		
CONSERVATION DIVISION WICHITA, KS RFS4C		
Date Received: <u>10/17/07</u>	Permit Number: _____	Permit Date: <u>10/24/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-025-21433-0000

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



Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

October 24, 2007

Mr. Earl J. Joyce, Jr.  
MIDCO Exploration, Inc.  
414 Plaza Drive Ste 204  
Westmont, IL 60559

RE: Drilling Pit Application  
Klinger Lease Well No. 1-12  
NE/4 Sec. 12-34S-23W  
Clark County, Kansas

Dear Mr. Joyce:

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 **no deeper than 3'** and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

**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, 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](http://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: district