

Auto

For KCC Use: Effective Date: 10-30-07 District # 4 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date November 7 2007 month day year

Spot sw4 nw4 ne4 Sec. 32 Twp. 5 S. R. 20 East West 4,290 feet from N / S Line of Section 2,310 feet from E / W Line of Section

OPERATOR: License# 33778 Name: Shoreline Energy Partners, LLC Address: 453 S. Webb Road #100 City/State/Zip: Wichita, KS 67207 Contact Person: Hi Lewis Phone: (316) 214-1738

Is SECTION Regular Irregular? County: Phillips Lease Name: Ray C Well #: 2 Field Name: Ray

CONTRACTOR: License# 33755 Name: Quality Plus Oilfield Services, LLC

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Reagan Sand

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

Nearest Lease or unit boundary: 330' Ground Surface Elevation: 2,154' est feet MSL

If OWWO: old well information as follows: Operator: OXY USA, Inc Well Name: Ray C #2 Original Completion Date: 12-10-1941 Original Total Depth: 3,566'

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: 120' Depth to bottom of usable water: 1,150 / 1,000

Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 149'

Length of Conductor Pipe required: Projected Total Depth: 3,566' Formation at Total Depth: Reagan Sand

Water Source for Drilling Operations: Well Farm Pond Other Lease Salt Water

DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No If Yes, proposed zone:

AFFIDAVIT

RECEIVED KANSAS CORPORATION COMMISSION

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:

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- 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: 10-23-07 Signature of Operator or Agent: Hi Lewis Title: Resident

For KCC Use ONLY API # 15 - 147-00534-00-01 Conductor pipe required None feet Minimum surface pipe required 149 feet per Alt. Approved by: [Signature] 10/25/07 This authorization expires: 4/25/08 (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:

32 5 2007

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 - 15-047-00534-00-01
 Operator: Shoreline Energy Partners, LLC
 Lease: Ray C
 Well Number: 2
 Field: Ray
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: sw4 - nw4 - ne4

Location of Well: County: Phillips
 4,290 feet from N / S Line of Section
 2,310 feet from E / W Line of Section
 Sec. 32 Twp. 5 S. R. 20 East West

Is Section: Regular or Irregular

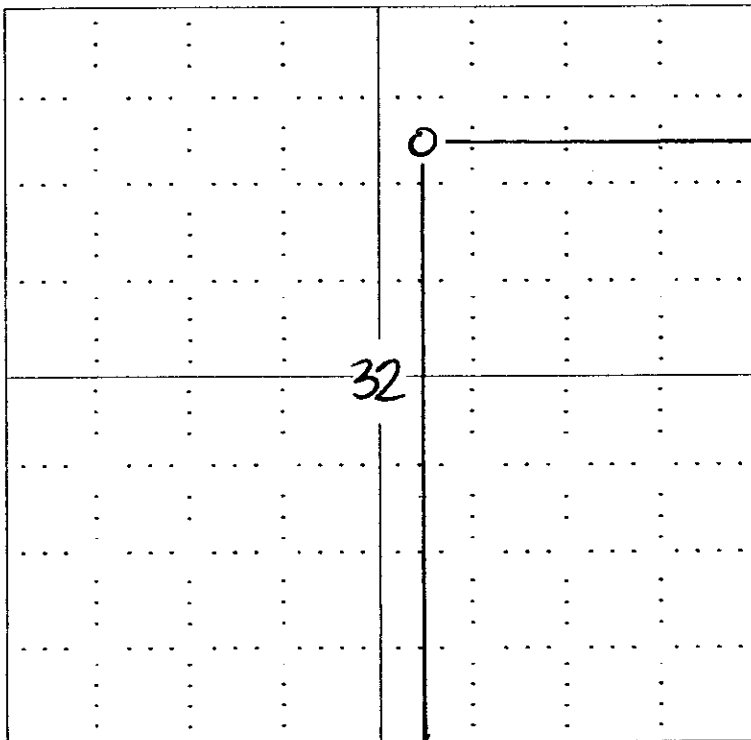
If Section is irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

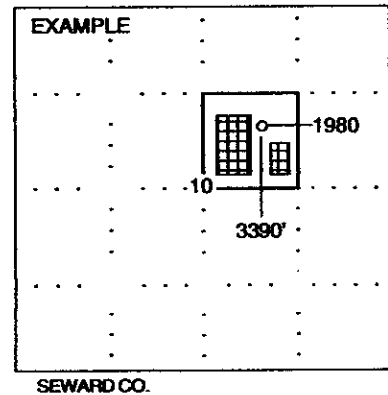
(Show location of the well and shade attributable acreage for prorated or spaced wells.)

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



2,310'

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 CONSERVATION DIVISION
 WICHITA, KS



SEWARD CO.

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

4,290'

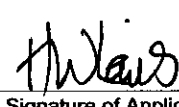
In plotting the proposed location of the well, you must show:

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: SHORELINE ENERGY PARTNERS, LLC		License Number: 33778
Operator Address: 453 S. WEBB ROAD #100, WICHITA, KS 67207		
Contact Person: HI LEWIS		Phone Number: (316) 214 - 1738
Lease Name & Well No.: RAY C #2		Pit Location (QQQQ): SW4 NW4 NE4
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 checked="" 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: 120 (bbls)	Sec. 32 Twp. 5 R. 20 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 4,290 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2,310 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section PHILLIPS 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 15 Length (feet) 10 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Plastic, 6 mm, dig pit & install before filling with water		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Gauge fluid level twice daily
Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet N/A <input checked="" type="checkbox"/> feet		Depth to shallowest fresh water 107A 113 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KS KDWR
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: Salt water Number of working pits to be utilized: one Abandonment procedure: haul fluids to disposal 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.		
_____ 10-23-07 _____ Date		 Signature of Applicant or Agent

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OCT 24 2007
CONSERVATION DIVISION
WICHITA, KS

15-147-00534-00-01

KCC OFFICE USE ONLY			
Date Received: 10/24/07	Permit Number: _____	Permit Date: 10/24/07	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

STATE OF KANSAS
 STATE CORPORATION COMMISSION
 100 Colorado Derby Bldg
 Wichita, KS 67202

WELL PLUGGING RECORD
 K.A.R.-82-3-117

15-147-00534-00-00

API NUMBER 15-NA ^{#17-00534-0000}

LEASE NAME Ray C

TYPE OR PRINT
 NOTICE: Fill out completely
 and return to
 Cons. Div. Office within
 30 days.

WELL NUMBER 2

~~4250~~ ⁹⁹⁰ Ft. from ~~8~~ ^{CD 1} Section Line

2310 Ft. from E Section Line

LEASE OPERATOR OXY USA Inc.

SEC. 32 TWP. 5S RGE. 20 (x) or (W)

ADDRESS P. O. Box 26100

COUNTY Phillips

PHONE# (405) 749-2309 Operators License #5447

Date Well Completed 12/10/41

Character of Well Oil

Plugging Commenced 8/31/94

(Oil, Gas, D&A, SWD, Input, Water Supply Well)

Plugging Completed 8/31/94

The plugging proposal was approved on _____ (date)

by Dennis Hamel (KCC District Agent's name).

Is ACO-1 filed? No If not, is well log attached? No

Producing Formation Reagan Depth to Top 3520 Bottom 3542 T.D. 3566

Show depth and thickness of all water, oil and gas formations.
 OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put in	Pulled Out
Reagan	Oil	3520	3542	8 5/8	149	
				5 1/2	3552	

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the methods used in introducing it into the hole. If cement or other plug were used, state the character of same and depth placed, from _____ feet to _____ feet each set.

Perf'd @ 1700 & 1060. RIH w/ 2 3/8 tbq to 3100. Mixed & pumped 60sks 60/40 Poz w/150# hulls. POOH w/tbq to 2100. Mixed & pumped 60sks cmt w/150# hulls. POOH w/tbq to 1100. Mixed & pumped 80sks cmt. Circ'd cmt to surface. POOH w/tbq. Hooked up to 5 1/2 csq. & pumped 50sks cmt. Shut-in press 100#. Hooked up to 8 5/8. Pumped 50sks cmt w/100# Hulls. Shut-in press 100#.

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor ~~W. H. Gibson Well Service~~ Hig Plains License No. ~~5334~~ 8003

Address ~~505 N. Commercial, Logan, KS 67646~~ P.O. Box 307, Logan, KS 67646

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: OXY USA Inc.

STATE OF OKLAHOMA COUNTY OF OKLAHOMA, ss.

Jerry Ledlow (Employee of Operator) or (Operator) of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

RECEIVED
 STATE CORPORATION COMMISSION signature) [Signature]
 9-20-94
 SEP 20 1994 (Address) P. O. Box 26100, OKC, OK 73126-0100

SUBSCRIBED AND SWORN TO before me this 13th day of September, 19 94

CONSERVATION DIVISION
 WICHITA, KANSAS

[Signature]
 Notary Public

My Commission Expires: 5-2-98