

OWWO

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 January 15 2008 month day year

Spot sw4 ne4 ne4 Sec. 32 Twp. 5 S. R. 20 East West 4,290 990 feet from N S E W Line of Section Is SECTION Regular Irregular?

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

(Note: Locate well on the Section Plat on reverse side) County: Phillips Lease Name: Ray C Well #: 4 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 Nearest Lease or unit boundary: 990'

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

Ground Surface Elevation: 2,186' 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: 120' Depth to bottom of usable water: 1,450' 1,030' Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 205' Length of Conductor Pipe required: Projected Total Depth: 3,584' Formation at Total Depth: Reagan Sand

If OWWO: old well information as follows: Operator: OXY USA, Inc Well Name: Ray C #4 Original Completion Date: 11-22-1948 Original Total Depth: 3,584'

Water Source for Drilling Operations: Well Farm Pond Other Lease Salt Water DWR Permit #: (Note: Apply for Permit with DWR)

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

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:

OCT 24 2007

- 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: [Signature]

Title: President

For KCC Use ONLY API # 15 - 147-00536-00-01 Conductor pipe required NONE feet Minimum surface pipe required 205 feet per Alt. Approved by: [Signature] 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:

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

32 5 20W

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.

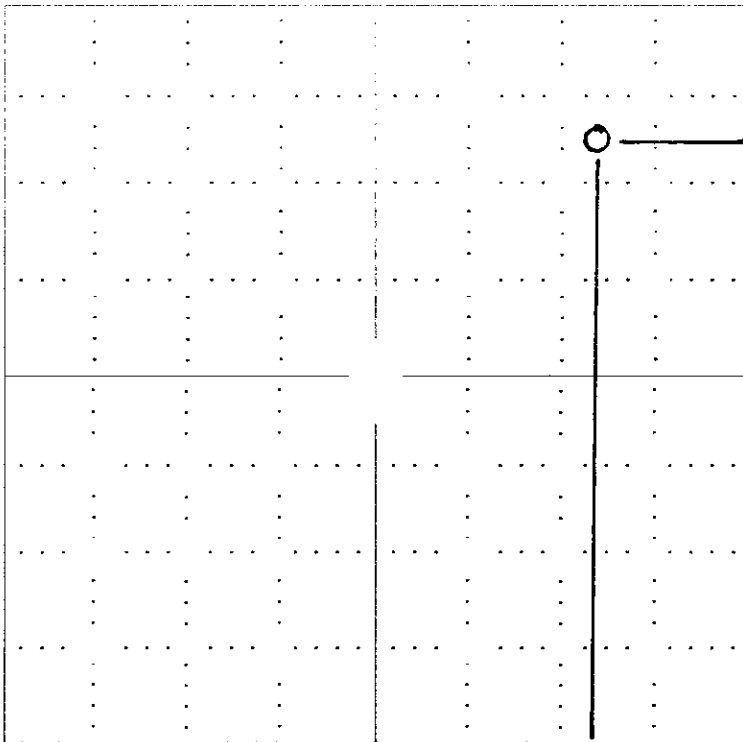
API No. 15 - ⁰¹ 147-00536-00-00
Operator: Shoreline Energy Partners, LLC
Lease: Ray C
Well Number: 4
Field: Ray
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: sw4 - ne4 - ne4

Location of Well: County: Phillips
4,290 feet from N / S Line of Section
990 feet from E / W Line of Section
Sec 32 Twp. 5 S R 20 East West
is Section: Regular or Irregular

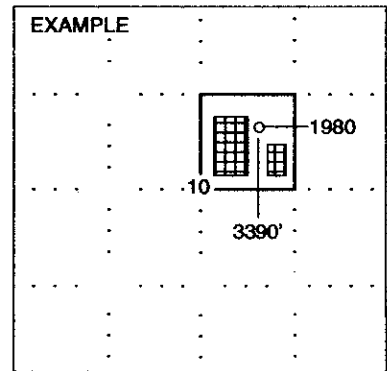
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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.)*



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JAMES H. HANCOCK, DIRECTOR



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 all wells; CO-11 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 #4		Pit Location (QQQQ): SW4 NE4 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 990 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): <u>15</u> Length (feet) <u>10</u> Width (feet) <u>N/A</u> Steel Pits Depth from ground level to deepest point: <u>5</u> (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 <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION OCT 24 2007 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit <u>N/A</u> feet Depth of water well _____ feet		Depth to shallowest fresh water N/A <u>113</u> 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: <u>Salt water</u> Number of working pits to be utilized: <u>one</u> Abandonment procedure: <u>haul fluids to disposal</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.		
10-23-07 Date		 Signature of Applicant or Agent

15-147-00536-00-01

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

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

15-147-00536-00-00

STATE OF KANSAS
STATE CORPORATION COMMISSION
130 S. Market, Room 2078
Wichita, KS 67202

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

API NUMBER 15-147-11-10-48

LEASE NAME Ray "C"

WELL NUMBER 4

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

4290 ft. from S Section Line

990 ft. from E Section Line

SEC. 32 TWP. 05 RGE. 20 or (W)

COUNTY Phillips

Date Well Completed 11/22/48

Plugging Commenced 11/13/96

Plugging Completed 11/13/96

LEASE OPERATOR OXY USA Inc.

ADDRESS P.O. Box 300: Tulsa, OK 74102-0300

PHONE # (918) 561-2211 OPERATOR'S LICENSE NO. 5447

Character of Well Oil

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

The plugging proposal was approved on October 22, 1996 (date)

by Dennis L. Hamel

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

Producing Formation Reagan Depth to Top 3580' Bottom 3584' T.D. 3584'

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORDS

Formation	Content	From	To	Size	Put in	Pulled out
Reagan	Oil	3581'	3584'	8-5/8"	205'	0
				5-1/2"	3581'	0

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

Dug out csg & orange peeled 5-1/2" to 8-5/8" csg. Install 2" riser to surface. RU H.L.S. & perf @ 1130' & 1760' w/ 2 spf. MIRU Murfin Drilling, RIH w/ 2-3/8" tbg. Open ended to 3600'. Pumped 65 sxs MIDCON 2 w/ 2% CC and 300# cottonseed hulls. Pulled 48 jts to 2100'. Pumped 65 sxs cmt & 200# hulls. Pulled tbg to 600'. Pumped 30 sxs cmt & circ to surface. POOH w/ rest of tbg. (continued on back)

Name of Plugging Contractor Halliburton Energy Services License No. 5287

Address 1102 E. 8th St.: Hays, KS 67601

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

STATE OF Kansas COUNTY OF Rooks, ss.

Kenneth R. Curry (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.

FEB 18 1997

(Signature) [Signature]

2-18-97

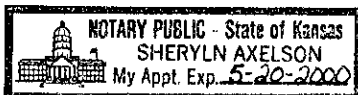
(Address) P.O. Drawer D: Plainville, KS 67663

SUBSCRIBED AND SWORN TO before me this 14 day of February, 1997

WICHITA, KS

[Signature]

Notary Public



My Commission Expires: May 20, 2000

15-047-00536-00-00

Additional plugging report information on the Ray "C" #4

Hooked up to 5-1/2" csg & pumped 20 sxs cmt. Max P.S.I. 400#. S.I.P. 300#. Hooked up to 8-5/8" csg & pumped 50 sxs MIDCON 2 cmt w/ 2% CC & 100# hulls. Max P.S.I. 400#. S.I.P. 300#. Total 230 sxs cmt used.