

For KCC Use: Effective Date: 12-20-07 District #: SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1

October 2007

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: Dec. 12 2007 month day year

OPERATOR: License# 9152 Name: MAREXCO, Inc. Address 1: 3033 NW 63rd St. - Suite 151 City: Oklahoma City State: OK Zip: 73116 Contact Person: Stephen W. Marden Phone: 405.286.5657

CONTRACTOR: License# 33274 / 33784 Name: Trinidad Drilling Limited Partnership

Well Drilled For: Oil, Gas, Seismic, Other Well Class: Enh Rec, Storage, Disposal, Wildcat, Other Type Equipment: Mud Rotary, Air Rotary, Cable

Operator: Well Name: Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Spot Description: approx. C-NE Sec 28 Twp 22 S. R 36 E W 1,250' feet from N / S Line of Section 1,250' feet from E / W Line of Section Is SECTION: Regular Irregular

County: Kearny Lease Name: Bregman Well #: 1-28 Field Name: Hugoton

Is this a Prorated / Spaced Field? Target Formation(s): Chase Herrington/Krider Nearest Lease or unit boundary line (in footage): 1,250'

Ground Surface Elevation: 3,219 feet MSL Water well within one-quarter mile: Public water supply well within one mile:

Depth to bottom of fresh water: 220' Depth to bottom of usable water: 950' Surface Pipe by Alternate: II Length of Surface Pipe Planned to be set: 336'

Length of Conductor Pipe (if any): Projected Total Depth: 2,700' Formation at Total Depth: Chase Winfield

Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #:

Note: Apply for Permit with DWR Will Cores be taken? Yes No

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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:

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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 correct to the best of my knowledge and belief.

Date: 11/29/07 Signature of Operator or Agent: Stephen W. Marden Title: V.P.

For KCC Use ONLY API # 15: 093-21818-0000 Conductor pipe required: None feet Minimum surface pipe required: 240 feet per ALT. Approved by: [Signature] 12-7-07 This authorization expires: 12-7-08 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:

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

28-2236

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 - 093-21818-0000
 Operator: MAREXCO, Inc.
 Lease: Brengman
 Well Number: 1-28
 Field: Hugoton
 Number of Acres attributable to well: 640
 QTR/QTR/QTR/QTR of acreage: _____

Location of Well: County: Kearny
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. 28 Twp. 22 S. R. 36 E W

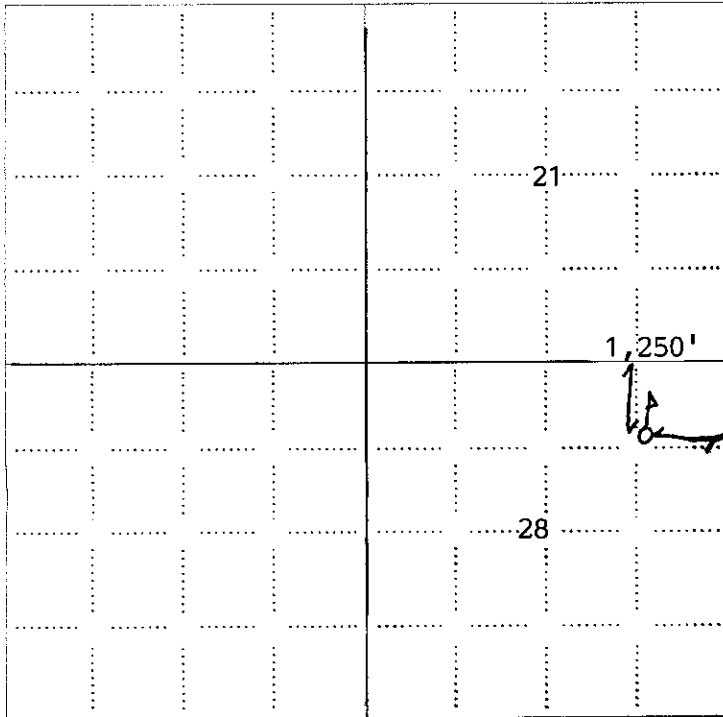
Is Section: Regular or Irregular

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

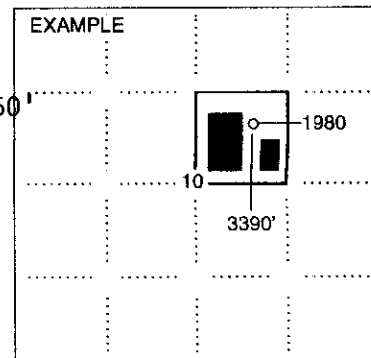
PLAT

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)*

Portions of 22S-36W



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SEWARD CO.

Kearny County

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

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).

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division
 Finney State Office Building, 130 South Market, Room 2078
 Wichita, Kansas 67202

API NUMBER 15- _____

LOCATION OF WELL: COUNTY Kearny

OPERATOR MAREXCO, Inc.

LEASE Brenman

1,250 feet from south north line of section

WELL NUMBER 1-28

1,250 feet from east west line of section

FIELD Hugoton

NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
infill

SECTION 28 TWP 22 (S) RG 36 E/W

QTR/QTR/QTR OF ACREAGE - - -

IS SECTION X REGULAR or IRREGULAR

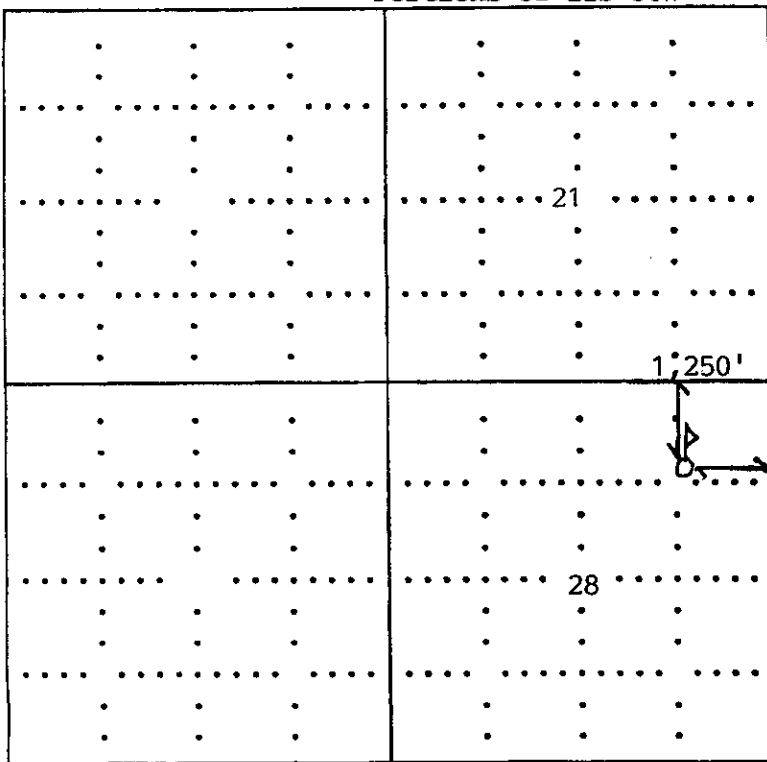
IF SECTION IS IRREGULAR, LOCATE WELL FROM

NEAREST CORNER BOUNDARY. (check line below)

Section corner used: X NE NW SE SW

(Show the location of the well and shade attributable acreage for prorated or spaced wells).
 (Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).

Portions of 22S-36W

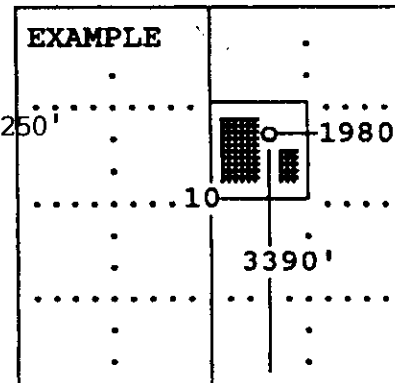


Kearny County

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SEWARD CO.

The undersigned hereby certifies as Vice President (title) for

MAREXCO, Inc. (Co.), a duly authorized agent, that all

information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature Steph U. Marden

Subscribed and sworn to before me on this 5th day of December, 2007

Brenda F. Guest
 Notary Public

NOTARY SEAL
 BRENDA F. GUEST
 Notary Public
 State of Oklahoma
 Commission # 05005099 Expires 6/01/09

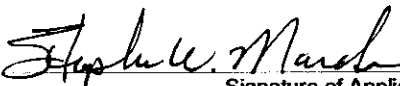
My Commission expires

FORM CG-8 (12/94)

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form GDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: MAREXCO, Inc.		License Number: 9152
Operator Address: 3033 NW 63rd St. - Suite 151 Oklahoma City, OK 73116		
Contact Person: Stephen W, Marden		Phone Number: (405) 286 5657
Lease Name & Well No.: Brengman #1-28		Pit Location (QQQQ): approx. C - NE/4 - Sec. 28 Twp. 22S R.36 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,250 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,250 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kearny 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 <i>(If WP Supply API No. or Year Drilled)</i>	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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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? native muds
Pit dimensions (all but working pits): <u>75</u> Length (feet) <u>75</u> Width (feet) <u>N/A</u> Steel Pits Depth from ground level to deepest point: <u>4</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. <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION DEC 07 2007 CONSERVATION DIVISION WICHITA KS</div>
Distance to nearest water well within one-mile of pit <u>2,800'</u> feet Depth of water well <u>??</u> feet		Depth to shallowest fresh water <u>220'</u> feet. Source of information: KCC _____ measured _____ well owner _____ electric log _____ 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>native & chem. muds</u> Number of working pits to be utilized: _____ Abandonment procedure: <u>break down corners after drilling let dry, backfill with topsoil last</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>11/29/07</u> Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY

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

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

15-093-21818-0000