

For KCC Use: 12-23-07
Effective Date: 12-23-07
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 January 4, 2008
month day year

Spot Description:
C E2 SE Sec 32 Twp. 26 S Rng. 17 E W

OPERATOR: License # 5003
Name: McCoy Petroleum Corporation
Address 1: 8080 E. Central, Suite #300
Address 2: _____
City: Wichita State: KS Zip: 67206-2366
Contact Person: Scott Hampel
Phone: 316-636-2737 x 104

1320 feet from N / S Line of Section
660 feet from E / W Line of Section

CONTRACTOR: License # 5142
Name: Sterling Drilling Company

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

County: Edwards
Lease Name: MULL INVESTMENT "A" Well #: 1-32

Field Name: Mull
Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippian
Nearest Lease or unit boundary (in footage): 660'

Ground Surface Elevation: ~2140' 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: 200'
Depth to bottom of usable water: 240'

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 260'+

Length of Conductor Pipe (if any): None
Projected Total Depth: 4700'

Formation at Total Depth: Mississippian
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: _____

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

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 #: _____

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:

DEC 14 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 unable water to surface within **120 days** of plug 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.

CONSERVATION DIVISION
WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.
Date: 12/13/07 Signature of Operator or Agent: Scott Hampel Title: Vice President - Production

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: _____

For KCC Use ONLY
API # 15 - 047-21567-0000
Conductor pipe required None feet
Minimum surface pipe required 260 feet per ALT. I II
Approved by: 12-18-07
This authorization expires: 12-18-08
(This authorization void if drilling not started within 12 months of effective date.)
Spud date: _____ Agent: _____

32
26
17
 E
 W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

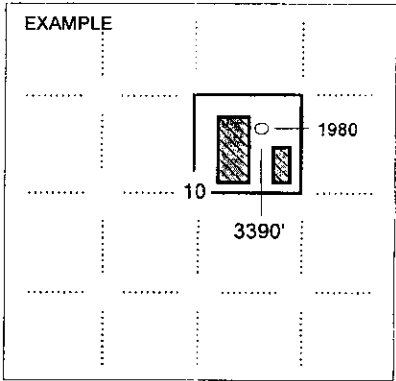
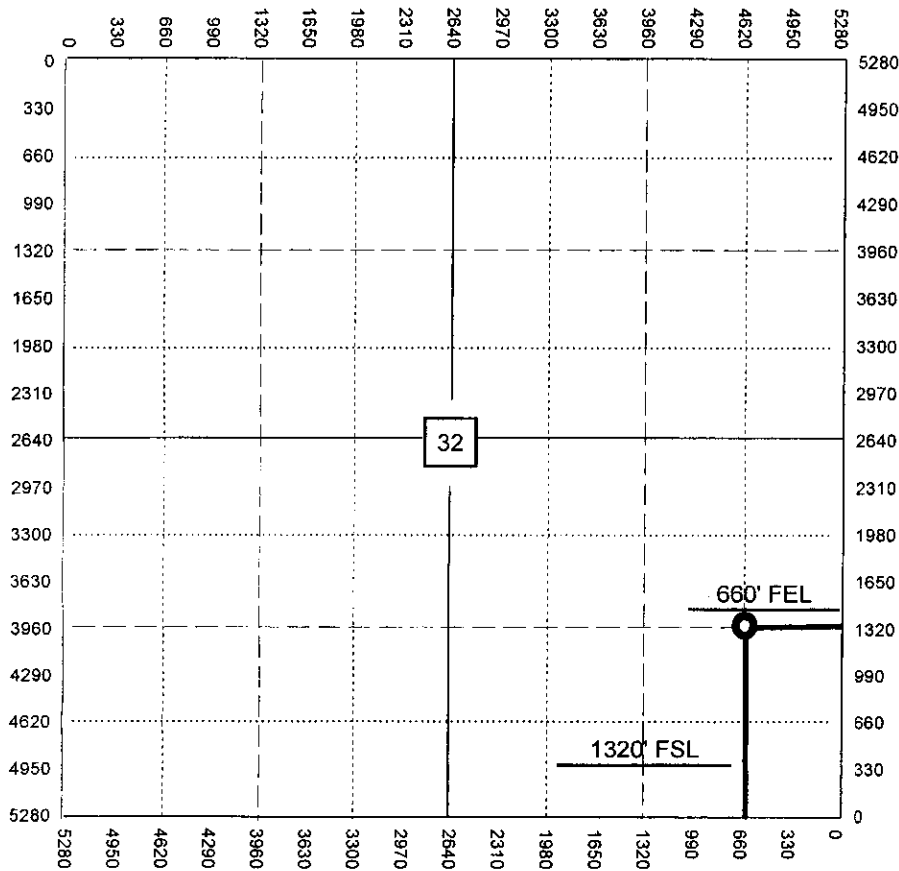
Plat of acreage attributable to a well in a prorated or spaced field

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 - 047-21567-0000 Location of Well: County: Edwards Co., KS
 Operator: McCoy Petroleum Corporation 1320 feet from N S (check one) Line of Section
 Lease: MULL INVESTMENT "A" 660 feet from E W (check one) Line of Section
 Well Number: #1-32 Sec 32 Twp 26s S. R. 17 East West
 Field: Mull
 Is Section: Regular Irregular?
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: C E2 SE 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 fine.)



SEWARD CO.

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).

**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: McCoy Petroleum Corporation		License Number: 5003
Operator Address: 8080 E. Central, Suite #300, Wichita, KS 67206-2366		
Contact Person: Scott Hampel		Phone Number: 316-636-2737x104
Lease Name & Well No.: MULL INVESTMENT "A" #1-32		Pit Location (QQQQ): C E2 SE Sec. 32 Twp. 26s R. 17w <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1320 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 660 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Edwards 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: 3600 (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? Bentonite / Drilling Mud
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (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 NA 219 feet Depth of water well NA 65 feet		Depth to shallowest fresh water NA 33 feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> 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: Bentonite Number of working pits to be utilized: 3 Abandonment procedure: Remove free fluid, let dry, backfill, return surface to original condition. 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. <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> 12/13/07 Date </div> <div style="text-align: center;">  Signature of Applicant or Agent Scott Hampel </div> <div style="text-align: right;"> RECEIVED KANSAS CORPORATION COMMISSION DEC 14 2007 CONSERVATION DIVISION WICHITA, KS </div> </div>		
KCC OFFICE USE ONLY		
Date Received: 12/14/07 Permit Number: _____ Permit Date: 12/17/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-017-215670000



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

December 17, 2007

Mr. Scott Hampel
McCoy Petroleum Corporation
8080 E. Central Ste 300
Wichita, KS 67206-2366

RE: Drilling Pit Application
Mull Investment A Lease Well No. 1-32
SE/4 Sec. 32-26S-17W
Edwards County, Kansas

Dear Mr. Hampel:

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 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 (August 2004), 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.

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,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Department of Environmental Protection and Remediation

cc: File