

For KCC Use:
Effective Date: 12-24-07
District # _____
SGA? ☐ Yes ☒ No

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

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

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

Expected Spud Date January 5, 2008
month day year

OPERATOR: License# 6044
Name: Stelbar Oil Corporation, Inc.
Address: 1625 N. Waterfront Parkway
City/State/Zip: Wichita, KS 67206
Contact Person: Roscoe L. Mendenhall
Phone: 316 / 264-8378

CONTRACTOR: License# 5142
Name: Sterling Drilling Company

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Pool Ext.	
	<input type="checkbox"/> Other	

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 #: _____

Spot
SW/4 - NW/4 - NE/4 Sec. 24 Twp. 30 S. R. 41 ☒ East
770' _____ feet from ☒ N / ☐ S Line of Section
2180' _____ feet from ☒ E / ☐ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Stanton
Lease Name: Armstrong Well #: 3-24

Field Name: _____

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Morrow

Nearest Lease or unit boundary: 460'

Ground Surface Elevation: 3,342' 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: 260 Ft.

Depth to bottom of usable water: 620 Ft.

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 1700 FT.

Length of Conductor Pipe required: None

Projected Total Depth: 5600 Ft.

Formation at Total Depth: Mississippian

Water Sources for Drilling Operations:

☒ Well ☐ Farm Pond ☐ Other

DWR Permit #: Not Yet Available

(Note: Apply for Permit with DWR ☒)

Will Cores be taken? ☐ Yes ☒ No

If Yes, proposed zone: _____

PRORATED & SPACED: HUGOTON.

AFFIDAVIT

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 19 2007

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:

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: December 18, 2007 Signature of Operator or Agent: Roscoe L. Mendenhall Title: Petroleum Engineer

Roscoe L. Mendenhall

For KCC Use ONLY

API # 15 - 187-24111-0000

Conductor pipe required None feet

Minimum surface pipe required 640 feet per Alt. 1

Approved by: 12-19-07

This authorization expires: 12-19-08

(This authorization void if drilling not started within 12 months of effective 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

24
30
4/11

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 - 187-21111-0000Operator: Stelbar Oil Corporation, Inc.Lease: ArmstrongWell Number: #3-24

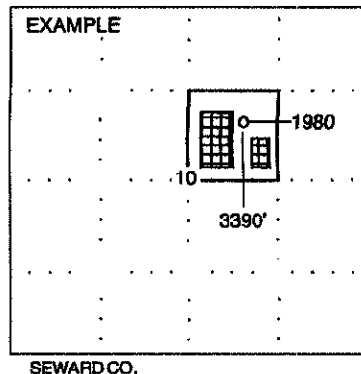
Field: _____

Number of Acres attributable to well: 40QTR / QTR / QTR of acreage: SW/4 - NW/4 - NE/4Location of Well: County: Stanton700' feet from ☒ N / ☐ S Line of Section2180' feet from ☒ E / ☐ W Line of SectionSec. 24 Twp. 30 S. R. 41 ☐ East ☒ WestIs 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.)*
NOTE: In all cases locate the spot of the proposed drilling location.RECEIVED
KANSAS CORPORATION COMMISSION

DEC 19 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: Steibar Oil Corporation, Inc.		License Number: 6044
Operator Address: 1625 N. Waterfront Parkway, Suite #200, Wichita, KS 67206		
Contact Person: Roscoe L. Mendenhall		Phone Number: (316) 264 - 8378
Lease Name & Well No.: Armstrong #3-24		Pit Location (QQQQ): _____ - SW/4 - NW/4 - NE/4 Sec. 24 Twp. 30S R. 41 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 700' Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2180" Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Stanton 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: 10,700 (bbls)	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Drilling Mud.
Pit dimensions (all but working pits): _____ 100 Ft. _____ Length (feet) _____ 100 Ft. _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ 6 Ft. _____ (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 _____ 3021 feet Depth of water well _____ 553 feet		Depth to shallowest fresh water _____ 80 Ft. 197 feet. Source of information: _____ measured _____ well owner _____ 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: _____ Drilling Mud. Number of working pits to be utilized: _____ Three (3). Abandonment procedure: _____ Allow pits to dry and fill with soil. 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. STEIBAR OIL CORPORATION, INC. December 18, 2007 Date		RECEIVED KANSAS CORPORATION COMMISSION DEC 19 2007 CONSERVATION DIVISION WICHITA, KS Signature of Applicant or Agent (Roscoe L. Mendenhall)
KCC OFFICE USE ONLY		
Date Received: 12/19/07 Permit Number: _____ Permit Date: 12/19/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

15-187-21,111-0000