



For KCC Use:  
 Effective Date: 12/26/2007  
 District # 4  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1015063  
 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: 01/12/2008  
 month day year

OPERATOR: License# 34055  
 Name: H & M Petroleum Corporation  
 Address 1: 731 N WEBER ST, STE 200  
 Address 2:  
 City: COLORADO SPGS State: CO Zip: 80903 + 1070  
 Contact Person: David Allen  
 Phone: 719-590-6060

CONTRACTOR: License# 33575  
 Name: WW Drilling, LLC

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

Spot Description:  
 SW - NE - NE - NW Sec. 29 Twp. 8 S. R. 24  E  W  
 (or 1/4) 550 feet from  N /  S Line of Section  
 2,150 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

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

County: Graham  
 Lease Name: Penland Well #: 1  
 Field Name: Penland

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Lansing Kansas City Super Group

Nearest Lease or unit boundary line (in footage): 490

Ground Surface Elevation: 2340 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: 150

Depth to bottom of usable water: 1200

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: 3950

Formation at Total Depth: Lansing Kansas City Super Group

Water Source for Drilling Operations:

Well  Farm Pond  Other: Haul

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

**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:

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.

**Submitted Electronically**

<b>For KCC Use ONLY</b>	
API # 15 - 15-065-23392-00-00	
Conductor pipe required 0 feet	
Minimum surface pipe required 200 feet per ALT <input type="checkbox"/> I <input checked="" type="checkbox"/> II	
Approved by: Rick Hestermann 12/21/2007	
This authorization expires: 12/21/2008	
(This authorization void if drilling not started within 12 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 (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: \_\_\_\_\_

29 8 24  
 E  
 W



1015063

**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 - 15-065-23392-00-00  
 Operator: H & M Petroleum Corporation  
 Lease: Penland  
 Well Number: 1  
 Field: Penland

Location of Well: County: Graham  
 550 feet from  N /  S Line of Section  
 2,150 feet from  E /  W Line of Section  
 Sec. 29 Twp. 8 S. R. 24  E  W

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: SW - NE - NE - NW

Is Section:  Regular or  Irregular

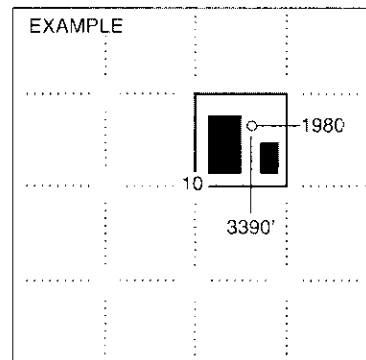
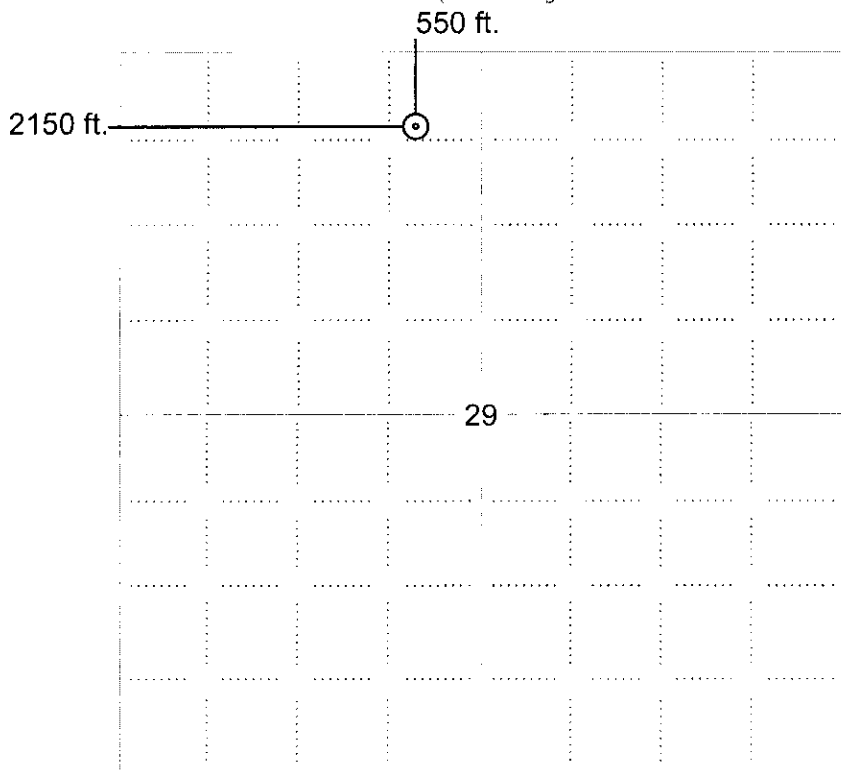
**If Section is irregular, locate well from nearest corner boundary.**

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.)*



SEWARD CO.

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

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

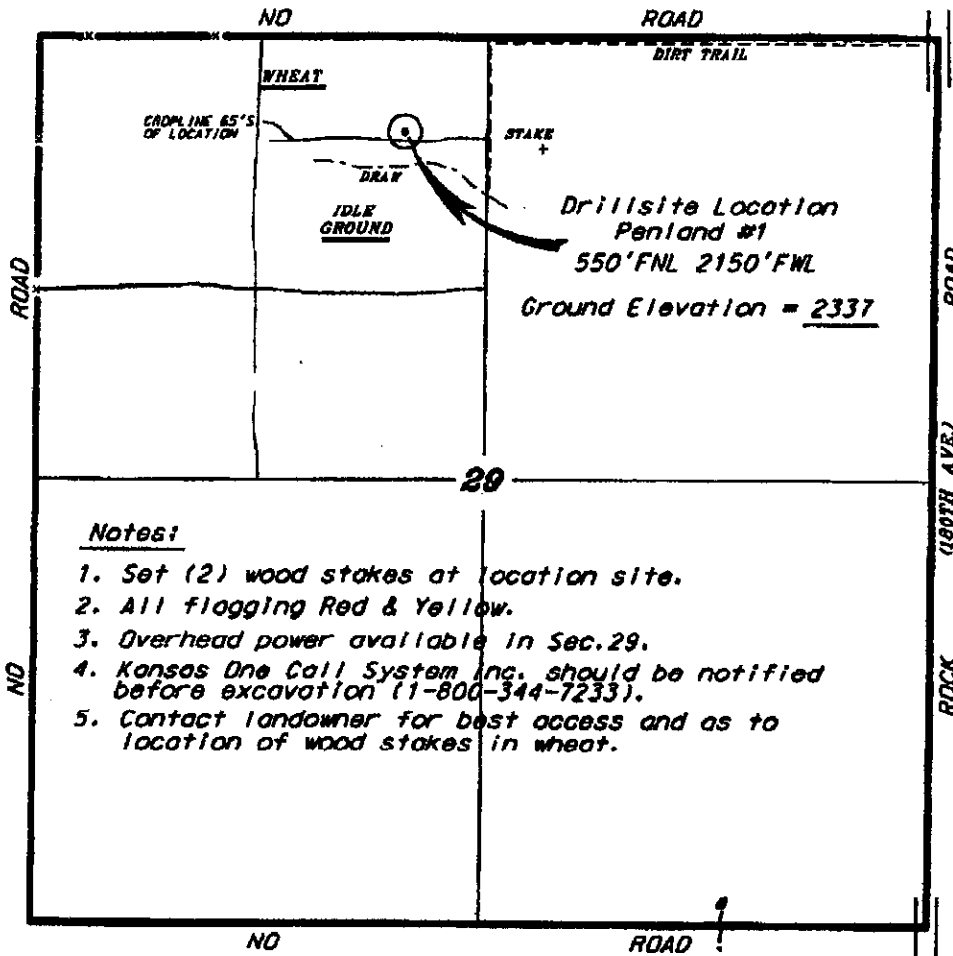
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease 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).

H & M PETROBUN CORPORATION  
PENLAND LEASE  
NW. 1/4, SECTION 29, T8S, R24W  
GRAHAM COUNTY, KANSAS

RECEIVED  
KANSAS CORPORATION COMMISSION

DEC 21 2007

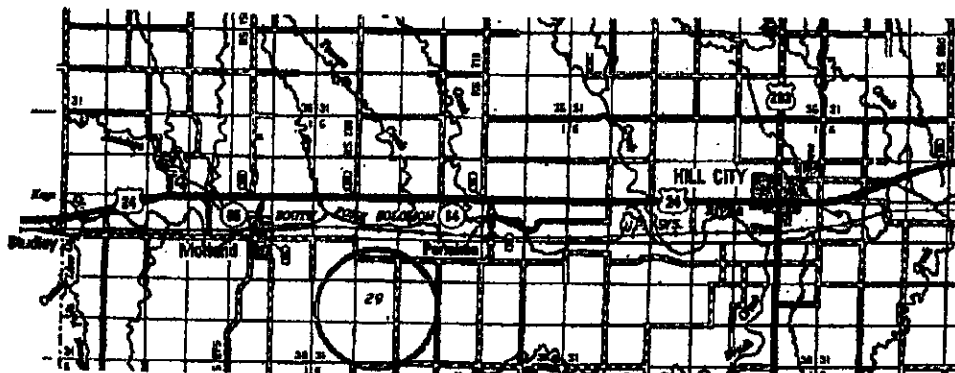
CONSERVATION DIVISION  
WICHITA, KS



Notes:

1. Set (2) wood stakes at location site.
2. All flagging Red & Yellow.
3. Overhead power available in Sec. 29.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. Contact landowner for best access and as to location of wood stakes in wheat.

\*Ingress and egress to location as shown on this plat is for use only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 360 acres.

Approximate section lines were determined using the normal standards of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in this section is not guaranteed. Therefore, the operator, by using this service and accepting this plat and all other services relying thereon agrees to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all claims, costs and expenses and hold oilfield releases from any liability from incidental or consequential damages.

Elevations derived from National Geodetic Vertical Datum.

Date December 5, 2007

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)798-1977



KANSAS CORPORATION COMMISSION 1015063  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
April 2004  
Form must be Typed

**APPLICATION FOR SURFACE PIT**

Submit in Duplicate

Operator Name: H & M Petroleum Corporation		License Number: 34055
Operator Address: 731 N WEBER ST, STE 200		COLORADO SPGS CO 80903
Contact Person: David Allen		Phone Number: 719-590-6060
Lease Name & Well No.: Penland 1		Pit Location (QQQQ): SW NE NE NW
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: 200 (bbls)	Sec. 29 Twp. 8 R. 24 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 550 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,150 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Graham 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? native clay
Pit dimensions (all but working pits): 25 Length (feet) 50 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit		
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 n/a feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: drilling mud Number of working pits to be utilized: 4 Abandonment procedure: Remove drilling fluids and backfill Drill pits must be closed within 365 days of spud date.
Submitted Electronically		

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: 12/20/2007	Permit Number: 15-065-23392-00-00	Permit Date: 12/21/2007	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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