

OWWO

For KCC Use: Effective Date: 1-5-08 District # 4 SGA? Yes No

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

Form C-1 October 2007 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 31, 2008 month day year

OPERATOR: License# 6677 Name: Sandlin Oil Corporation Address 1: 621 17th Street Suite 2055 City: Denver State: CO Zip: 80293 Contact Person: Gary Sandlin Phone: (303)331-8619

CONTRACTOR: License# 6426 Name: Victoria Well Service Express Well Service & Supply Inc. per oper 12-31-07

Well Drilled For: Oil Gas Seismic Other Completion Rig Well Class: Enh Rec Storage Disposal Infield Pool Ext Wildcat Other Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows: Operator: Petroleum Inc. Well Name: No 2 Reeder Original Completion Date: 11/7/51 Original Total Depth: 3725

Directional, Deviated or Horizontal wellbore? Bottom Hole Location: KCC DKT #:

Spot Description: NE SE NW Sec. 22 Twp. 12 S. R. 18 2,310 feet from 2,310 feet from

Is SECTION: Regular Irregular? County: Ellis Lease Name: McRae Well #: 1 Field Name: Koblitz

Target Formation(s): Arbuckle Nearest Lease or unit boundary line (in footage): 330 Ground Surface Elevation: 2155 feet MSL Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 180 Depth to bottom of usable water: 750 Surface Pipe by Alternate: Length of Surface Pipe Recommended set: 204' Alt II Length of Conductor Pipe (if any): Projected Total Depth: 3716 Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #: Will Cores be taken? 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;
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.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 12/21/2007 Signature of Operator or Agent: Gary Sandlin Title: President/Sandlin Oil Corporation

For KCC Use ONLY API # 15 - 051-02505-00-01 Conductor pipe required None feet Minimum surface pipe required 204 feet per ALT. Approved by: per 12-31-07 This authorization expires: 12-31-08 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:

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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 - 051-02505-00-01
 Operator: Sandlin Oil Corporation
 Lease: McRae
 Well Number: 1
 Field: Koblitz

Location of Well: County: Ellis
1650 feet from N / S Line of Section
2,310 feet from E / W Line of Section
 Sec. 22 Twp. 12 S. R. 18 E W

Number of Acres attributable to well: 155
 QTR/QTR/QTR/QTR of acreage: NE - NE - SE - NW

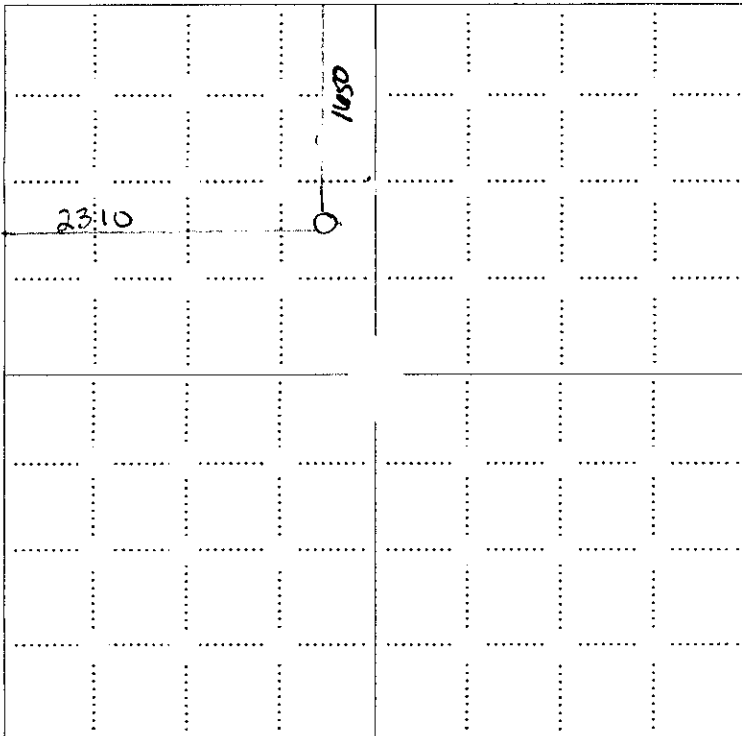
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

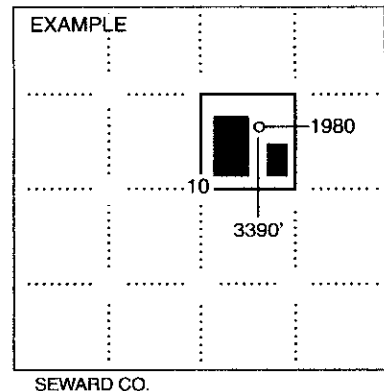
Section corner used: NE NW SE SW

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.)*



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

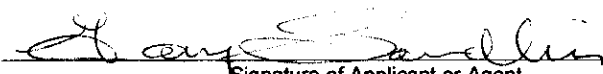
In plotting the proposed location of the well, you must show:

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).

**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: Sandlin Oil Corporation		License Number: 6677
Operator Address: 621 17th Street Suite 2055		Denver CO 80293
Contact Person: Gary Sandlin		Phone Number: (303)331-8619
Lease Name & Well No.: McRae 1		Pit Location (QQQQ): 1 NE SE 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 checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WVP Supply API No. or Year Drilled) 1951</small>	Pit is: <input type="checkbox"/> Proposed <input type="checkbox"/> Existing if Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec. 22 Twp. 12 R. 18 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 900 / 1050 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,310 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Ellis _____ 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 type="checkbox"/> Yes <input checked="" 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?
Pit dimensions (all but working pits): <u>20</u> Length (feet) <u>8</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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.
		RECEIVED KANSAS CORPORATION COMMISSION DEC 26 2007 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit <u>474</u> feet Depth of water well <u>90</u> feet	Depth to shallowest fresh water <u>72</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR	15-051-02505-00-01
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>Fresh Water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Dry out and close</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>12/21/2007</u> Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>
Date Received: <u>12/26/07</u>	Permit Number: _____	Permit Date: <u>12/26/07</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-051-02505-00-00

WELL PLUGGING RECORD

Give All Information Completely
 Take Required Affidavit

COUNTY Ellis SEC. 22 TWP. 12S RGE. 18 E/W
 Location as in quarters or footage from lines:
NE SE NW

Sec. 22-	12S-	18W	
Ellis County			

Lease Owner Petroleum, Inc.
 Lease Name Reeder Well No. 2
 Office Address Great Bend, Kansas 67530 P.O. BOX 1447
 Character of Well (Completed as Oil, Gas or Dry Hole): Oil
 Date Well Completed October, 1951
 Application for plugging filed 4-28-83
 Plugging commenced September 2, 1983
 Plugging completed September 2, 1983
 Reason for abandonment of well or producing formation

Locate Well
 correctly on above
 Section Platf.

Uneconomical to produce
 Was permission obtained from the Conservation Division or it's
 Agent's before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well Gilbert Scheck
 Producing formation L-KC & Arb. Depth to top 3408' bottom 3688' T.D. 3725'
 Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

Casing Record

Formation	Content	From	To	Size	Put in	Pulled Out
				8-5/8	204'	-0-
				5 1/2"	3724'	-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 hold. If cement
 or other plugs were used, state the character of same and depth placed, from _____ feet
 to _____ feet for each plug set.

Pumped 25 sacks 50/50 poz, 4% gel, 3% CC, down 5 1/2" casing. Then pumped 20 sacks
gel, 1 sack hulls, followed by 5 1/2" wiper plug. Then pumped 100 sacks 50/50 poz,
4% gel, 3% CC. Max. press. 500#.

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 STATE CORPORATION COMMISSION
 OCT 3 1983
 CONSERVATION DIVISION
 Wichita, Kansas

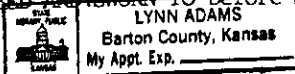
(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor Allied Cementing Co.

STATE OF Kansas COUNTY OF Barton, ss.
Terry Naylor (employee of owner) or (owner or operator) of the
 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 and that the same are true and correct. So help me God.

(Signature) Terry Naylor
Box 1440, Great Bend, KS 67530
 (Address)

SUBSCRIBED AND SWORN TO before me this 29th day of Sept., 19 83



Lynn Adams
 Notary Public.

My Commission expires: 12-20-83