

For KCC Use:
Effective Date: 01/05/2008
District # 4
SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION 1015200
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: 01/16/2008
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: ☒ Oil ☐ Gas ☐ Seismic ☐ Other
Enh Rec ☐ Storage ☐ Disposal
Well Class: ☒ Infield ☐ Pool Ext. ☐ Wildcat ☐ Other
Type Equipment: ☒ Mud Rotary ☐ Air Rotary ☐ Cable
of Holes

☐ 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:
W2 NW NE Sec. 29 Twp. 8 S. R. 24 ☐ E ☒ W
(0.0/0.0) 660 feet from ☒ N / ☐ S Line of Section
2,310 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 #: 2
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): 540

Ground Surface Elevation: 2313 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: 3926

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

For KCC Use ONLY

API # 15 - 15-065-23396-00-00

Conductor pipe required 0 feet

Minimum surface pipe required 200 feet per ALT. ☐ I ☒ II

Approved by: Rick Hestermann 12/31/2007

This authorization expires: 12/31/2008

(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:

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

29 8 24
☐ E ☒ W



1015200

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 - 15-065-23396-00-00

Operator: H & M Petroleum Corporation

Lease: Penland

Well Number: 2

Field: Penland

Number of Acres attributable to well:

QTR/QTR/QTR/QTR of acreage: W2 NW NE

Location of Well: County: Graham

660 feet from ☒ N / ☐ S Line of Section2,310 feet from ☒ E / ☐ W Line of SectionSec. 29 Twp. 8 S. R. 24 ☐ E ☒ WIs Section: ☒ Regular or ☐ Irregular

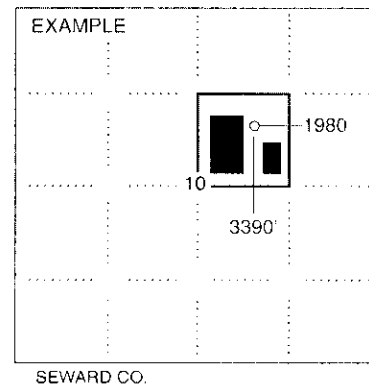
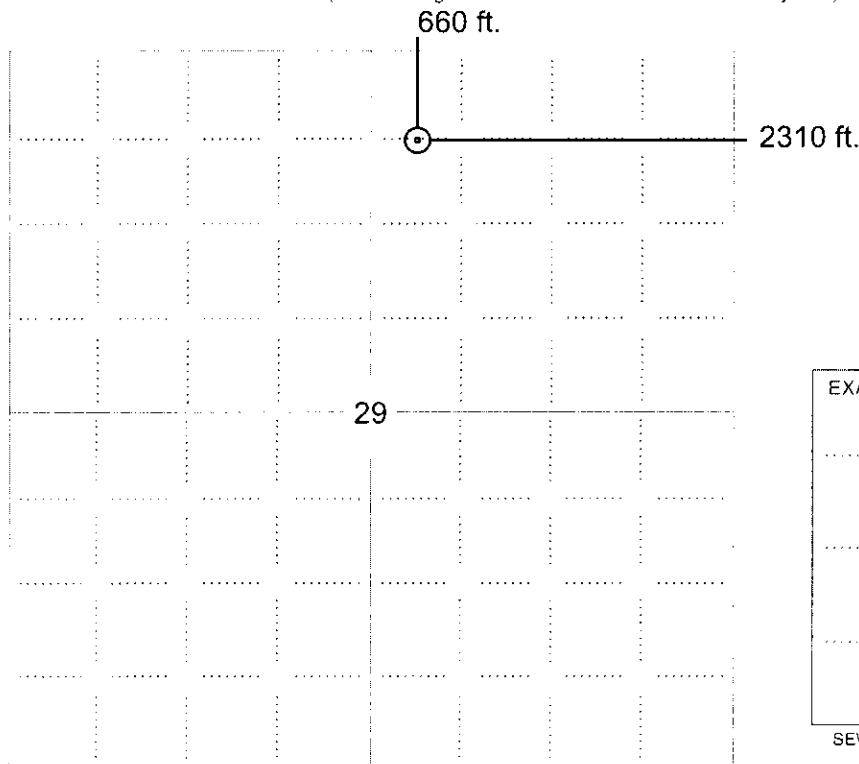
If Section is Irregular, locate well from nearest corner boundary.

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.

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).

Myron E. Woody

Drill Site Location
Permit #2
660' FNL 2310' FEL
Ground Elevation = 2313

STAKE
ELECTRIC WIRE FENCE
DIRT TRAIL
STUBBLE
DRY

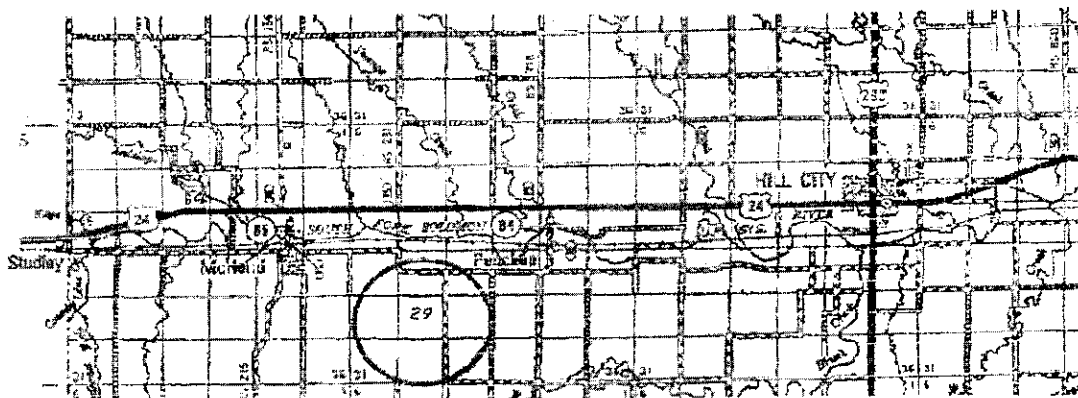
29

Notes:

1. Set iron rod 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. Cattle in stubble at date of staking.
6. Contact landowner for best access.

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• controlling core is based upon the best ways and procedures available to us and upon a regular section of work containing 540 items

[illegible]

FROM THE LIBRARY OF THE
U. S. DEPARTMENT OF AGRICULTURE

December 5, 2007

123 13



KANSAS CORPORATION COMMISSION 1015200
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

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 2		Pit Location (QQQQ): ____ W2 ____ NW ____ NE Sec. <u>29</u> Twp. <u>8</u> R. <u>24</u> ☐ East ☒ West <u>660</u> Feet from ☒ North / ☐ South Line of Section <u>2,310</u> Feet from ☒ East / ☐ West Line of Section <u>Graham</u> County	
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: <u>200</u> (bbls)		
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used? <u>native clay</u>	
Pit dimensions (all but working pits): <u>25</u> Length (feet) <u>50</u> Width (feet) ☐ N/A: Steel Pits Depth from ground level to deepest point: <u>5</u> (feet) ☐ 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 <u>n/a</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: ☐ 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? ☐ Yes ☐ No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>drilling mud</u> Number of working pits to be utilized: <u>4</u> Abandonment procedure: <u>Remove drilling fluids and backfill</u> Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY		Steel Pit ☐	RFAC ☐	RFAS ☐
Date Received: <u>12/30/2007</u>	Permit Number: <u>15-065-23396-00-00</u>	Permit Date: <u>12/31/2007</u>	Lease Inspection: ☐ Yes ☒ No	

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