

OWWO

For KCC Use: 2-23-08
Effective Date: 2-23-08
District # 2
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: 2/10/2008
month day year

OPERATOR: License# 6236
Name: MTM Petroleum, Inc.
Address 1: P.O. Box 82
Address 2: _____
City: Spivey State: KS Zip: 67142 + _____
Contact Person: Marvin A. Miller
Phone: (620) 532-3794 or (620) 546-3035

CONTRACTOR: License# 33902
Name: Hardt Drilling, LLC

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

If OWWO: old well information as follows:
Operator: Musgrove K E Drg
Well Name: Dauner #1
Original Completion Date: 11/4/1959 Original Total Depth: 4448'

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot Description: _____
NW - NW - NW Sec. 36 Twp. 30 S. R. 8 E W
(000/00) 4,950 feet from N / S Line of Section
4,950 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Kingman

Lease Name: Boyle Hills #4 OWWO Well #: _____

Field Name: SPIVEY - GRABS - BASIL

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): MISSISSIPPIAN

Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 160 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: 100

Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: Existing (206') 204'

Length of Conductor Pipe (if any): _____

Projected Total Depth: 4448

Formation at Total Depth: MISSISSIPPIAN

Water Source for Drilling Operations: _____

Well Farm Pond Other: HAULED

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.

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

Date: 1-25-2008 Signature of Operator or Agent: Nick Miller Title: Agent

For KCC Use ONLY
API # 15 - 095-00338-00-01
Conductor pipe required None feet
Minimum surface pipe required 204 feet per ALT. I II
Approved by: [Signature] 2-18-08
This authorization expires: 2-18-09
(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: _____

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KCC WICHITA

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

36
30
8
 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 - 095-00338-00-01
 Operator: MTM Petroleum, Inc.
 Lease: Boyle Hills #4 OWWO
 Well Number: _____
 Field: SPIVEY - GRABS - BASIL

Location of Well: County: Kingman
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. 36 Twp. 30 S. R. 8 E W

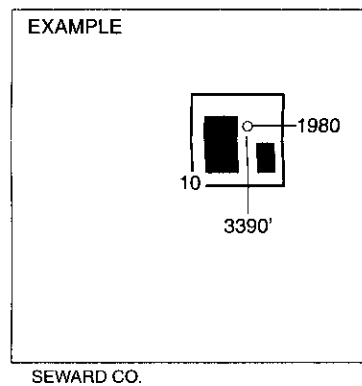
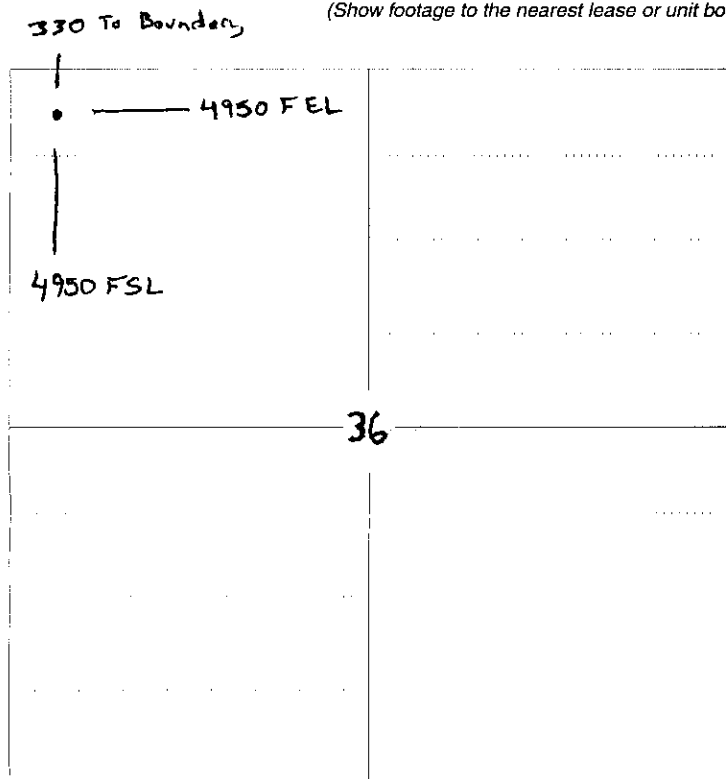
Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - NW - NW - NW

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.)*



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

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

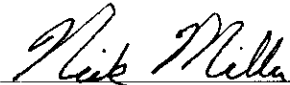
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease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

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

Form GDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: MTM Petroleum, Inc.		License Number: 6236	
Operator Address: P.O. Box 82		Spivey KS 67142	
Contact Person: Marvin A. Miller		Phone Number: (620) 532-3794 or (620) 546-3035	
Lease Name & Well No.: Boyle Hills #4 OWWO		Pit Location (QQQQ): _____ NW _____ NW _____ NW	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> 1959		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 2,000 _____ (bbbls)	
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? CLAY BOTTOM, BENTONITE			
Pit dimensions (all but working pits): _____ 80 _____ Length (feet) _____ 80 _____ Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ 4 _____ (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 JAN 31 2008 KCC WICHITA	
Distance to nearest water well within one-mile of pit _____ 1517 _____ feet Depth of water well _____ 92 _____ feet		Depth to shallowest fresh water _____ 75 _____ feet Source of information: _____ JR-KGS _____ <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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: FRESHWATER Number of working pits to be utilized: _____ 2 _____ Abandonment procedure: HAUL OFFSITE, JET TO RESERVE BACKFILL WHEN DRY 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.			
_____ 1/25/2008 Date		 _____ Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input checked="" type="checkbox"/>	
Date Received: <u>1/31/08</u> Permit Number: _____		Permit Date: <u>2/18/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

15-095-00338-00-01



Kathleen Sebelius, Governor
Brian J. Moline, Chair
Michael C. Moffet, Commissioner
Robert E. Krehbiel, Commissioner

February 18, 2008

Mr. Marvin A. Miller
MTM Petroleum, Inc.
PO Box 82
Spivey, KS 67142

Re: Drilling Pit Application
Boyle Hills OWWO Well No. 4
NW/4 Sec. 36-30S-08W
Kingman County, Kansas

Dear Mr. Miller:

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 **all pits must be lined with bentonite**. 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 within 72 hours 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 (316) 630-4000 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: File

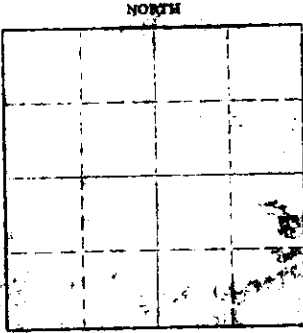
WELL PLUGGING RECORD

All Information Completely
Required Herein
or Deliver Report to
Conservation Division
State Corporation Commission
512 North Market, Des Moines Bldg.
Wichita, Kansas

36 - 30 - 2nd

Wingard County, Sec 36 Twp 30 Rge 12 (W)

Location as "NE/CNW/SE" or footage from line: NE 1/4 NW 36
 Lease Owner: Margrove Petroleum Corporation et al
 Lease Name: Common Well No. 1
 Office Address: 801 Union Center Bldg. - Wichita, Kansas
 Character of Well (completed as Oil, Gas or Dry Hole): Dry Hole
 Date well completed: October 31 1959
 Application for plugging filed: October 31 1959
 Application for plugging approved: October 31 1959
 Plugging commenced: October 31 1959
 Plugging completed: October 31 1959
 Reason for abandonment of well or producing formation: _____



Locate well correctly on above section plat

If a producing well is abandoned, date of last production: _____ 19____
 Was permission obtained from the Conservation Division or its agents before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well: Fred Mempel - Fred Mempel, Kansas
 Producing formation: _____ Depth to top: _____ Bottom: _____ Total Depth of Well: 444 Feet
 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"	API	None

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 hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

Plugged hole with 30 sacks of cement on bottom heavy mud to 100' set plug with 1/4 sack of balls and 10 sacks of cement through drill pipe heavy mud to 100' set plug of 1/4 sack of balls and 10 sacks dry cement behind radial with balls and 2 sacks of cement.

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STATE CORPORATION COMMISSION

JUL 1 1962

CONSERVATION DIVISION
Wichita, Kansas

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

Name of Plugging Contractor: Wingard Drilling Company
 Address: 815 1st North Bank Bldg. - Wichita, Kansas

STATE OF Kansas COUNTY OF Sedgewick
Paul W. Hesse, agent (attorney of owner) or lawyer or county of the above-described well being plugged, 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) Paul W. Hesse
815 1st North Bank Bldg. - Wichita, Kansas
 (Address)

Subscribed and sworn to before me this 10th day of November 1959

Duane Jessup
 DUANE JESSUP Notary Public.

November 11, 1959