

OWWO

For KCC Use: 4-13-08
Effective Date: 4-13-08
District #: 4
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: May 1 2008
month day year

OPERATOR: License# 34075
Name: ONESOURCE FINANCIAL SERVICES, INC.
Address 1: 5800 PADRE BLVD
Address 2: SUITE 210
City: SOUTH PADRE ISLAND State: TX Zip: 78597
Contact Person: Justin McAtee
Phone: 785-332-4260

CONTRACTOR: License# 32028
Name: CHITO'S WELL SERVICE

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

If OWWO: old well information as follows:
Operator: MURFIN DRILLING
Well Name: NEITZEL # 1
Original Completion Date: 8-19-1975 Original Total Depth: 4650

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

Spot Description: C - SE - SW - Sec. 28 Twp. 4 S. R. 39 E W
(0000) 660 feet from N / S Line of Section
3,300 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: CHEYENNE

Lease Name: NEITZEL Well #: 1
Field Name: WHEELER

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): CEDAR HILLS
Nearest Lease or unit boundary line (in footage): 660

Ground Surface Elevation: 3512 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: 270
Depth to bottom of usable water: 270
Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 321
Length of Conductor Pipe (if any): _____
Projected Total Depth: 3261
Formation at Total Depth: Stone Corral

Water Source for Drilling Operations:
 Well Farm Pond Other:
DWR Permit #: _____ (Note: Apply for Permit with DWR
Will Cores be taken? Yes No
If Yes, proposed zone: _____

AFFIDAVIT

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APR 04 2008

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 casing must 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: April 2, 2008 Signature of Operator or Agent: _____ Title: President

For KCC Use ONLY
API # 15 - 023-20010-00-01
Conductor pipe required None feet
Minimum surface pipe required 321 feet per ALT. I II
Approved by: JMA 4-8-08
This authorization expires: 4-8-09
(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: _____

28
4
39
 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 - 023-20010-00-01
 Operator: ONESOURCE FINANCIAL SERVICES, INC.
 Lease: NEITZEL
 Well Number: 1
 Field: WHEELER

Location of Well: County: CHEYENNE
 660 feet from N / S Line of Section
 3,300 feet from E / W Line of Section
 Sec. 28 Twp. 4 S. R. 39 E W

Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: C - SE - SW - _____

Is Section: Regular or Irregular

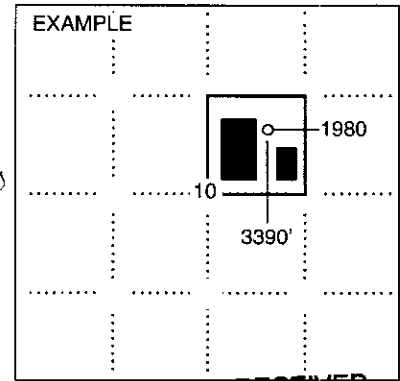
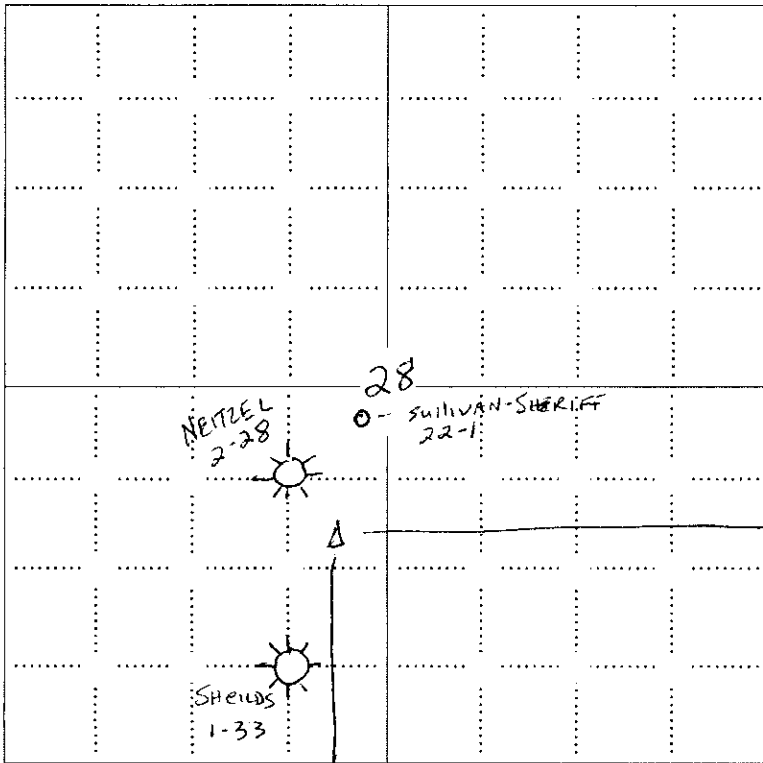
If Section is Irregular, locate well from nearest corner boundary.

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 location.

WOF

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

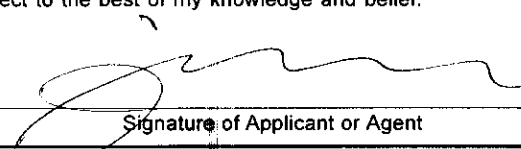
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the south / north and east / west outside section lines.
3. The distance to the nearest lease 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: (C0-7 for oil wells; CG-8 for gas wells).

CONSERVATION DIVISION
 WICHITA, KS

**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: ONESOURCE FINANCIAL SERVICES, INC.		License Number: 34075
Operator Address: 5800 PADRE BLVD		SUITE 210 SOUTH PADRE ISLAND TX 78597
Contact Person: Justin McAtee		Phone Number: 785-332-4260
Lease Name & Well No.: NEITZEL 1		Pit Location (QQQQ): C SE SW Sec. 28 Twp. 4 R. 39 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 3,300 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section CHEYENNE 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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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?
Pit dimensions (all but working pits): <u>8</u> Length (feet) <u>6</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>5</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.
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: <input checked="" type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	RECEIVED KANSAS CORPORATION COMMISSION
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>GEL</u> Number of working pits to be utilized: <u>4</u> Abandonment procedure: <u>Air Dry and back fill</u> Drill pits must be closed within 365 days of spud	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		APR 04 2008
April 2, 2008 Date	 Signature of Applicant or Agent	CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: <u>4/4/08</u> Permit Number: _____ Permit Date: <u>4/4/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>	

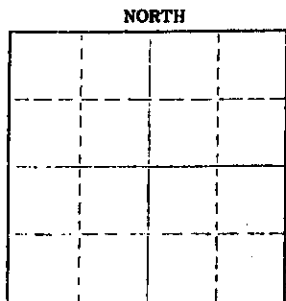
15-023-20010-00-01

15-023-20010-00-00

STATE OF KANSAS
STATE CORPORATION COMMISSION
CONSERVATION DIVISION
P. O. BOX 17027
WICHITA, KANSAS 67217

FORM CP-4

WELL PLUGGING RECORD



Locate well correctly on above section Plat

Cheyenne County, Sec. 28 Twp. 4S Rge. (E) 39 (W)
Location as "NE/CN/WK/SW" or footage from lines C SE SW
Lease Owner: Murfin Drilling Company
Lease Name: NEITZEL Well No. 1
Office Address: 617 Union Center, Wichita, Ks 67202
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed 8/19 19 75
Application for plugging filed 8/19 19 75
Application for plugging approved 8/19 19 75
Plugging commenced 8/19 19 75
Plugging completed 8/19 19 75
Reason for abandonment of well or producing formation Dry Hole

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 Gilbert Balthezor
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 4650'
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"	321'	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.

1st plug @ 2200' w/70 BX
2nd @ 300' w/20 BX
3rd @ 40' w/10 BX

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SEP 11 1975

CONSERVATION DIVISION
Wichita, Kansas

Name of Plugging Contractor Sun Oilwell Cmtg
Address Box 169, Great Bend, Ks

STATE OF Kansas COUNTY OF Sedgwick
James R. Daniels ss.

I, James R. Daniels (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) [Signature]
617 Union Center, Wichita, Ks 67202
(Address)

Subscribed and sworn to before me this 29th day of August, 19 75

JOLENE S. FRISBIE, STATE NOTARY PUBLIC
My Comm. Exp. March 13, 1979
Jolene S. Frisbie
Notary Public.





*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.