

For KCC Use:
 Effective Date: 5-3-08
 District # 1
 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: JUNE 01 2008
month day year

OPERATOR: License# 32166
 Name: DUNNE EQUITIES OPERATING INC
 Address 1: 8100 E 22ND ST N. # 1100
 Address 2: _____
 City: WICHITA State: KS Zip: 67226 + _____
 Contact Person: BRITTANY BLANKENSHIP
 Phone: 316-684-6508

CONTRACTOR: License# 30208 30606
 Name: MURFIN DRILLING CO., INC.

| | | |
|--|-----------------------------------|---|
| 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"/> Mud Rotary |
| | <input type="checkbox"/> Disposal | <input type="checkbox"/> Air Rotary |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other | |
| <input type="checkbox"/> 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: _____
 (0/0/0/0) NE NE SW Sec. 28 Twp. 28 S. R. 13 E W
2.318 feet from N / S Line of Section
2.346 feet from E / W Line of Section

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

County: PRATT
 Lease Name: HOGE Well #: 1-13
 Field Name: KONOLD

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): MISSISSIPPI

Nearest Lease or unit boundary line (in footage): 335'
 Ground Surface Elevation: 1962.5' 1842.5' 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: 180'
 Depth to bottom of usable water: 200'

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 250' OF 13 3/8 & 800' OF 8 5/8 IN NECESSARY

Length of Conductor Pipe (if any): _____
 Projected Total Depth: 4500'

Formation at Total Depth: MISSISSIPPI
 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: _____

Oil & Gas leases w/ pooling clauses: survey submitted.
AFFIDAVIT

RECEIVED
 KANSAS CORPORATION COMMISSION

APR 24 2008

CONSERVATION DIVISION
 WICHITA, KS

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: 4/23/08 Signature of Operator or Agent: B. Blankenship Title: accountant

For KCC Use ONLY
 API # 15 - 151-22298-0000
 Conductor pipe required None feet
 Minimum surface pipe required 220 feet per ALT. I II
 Approved by: 4-28-08
 This authorization expires: 4-28-09
 (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: _____

15
28
13
 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

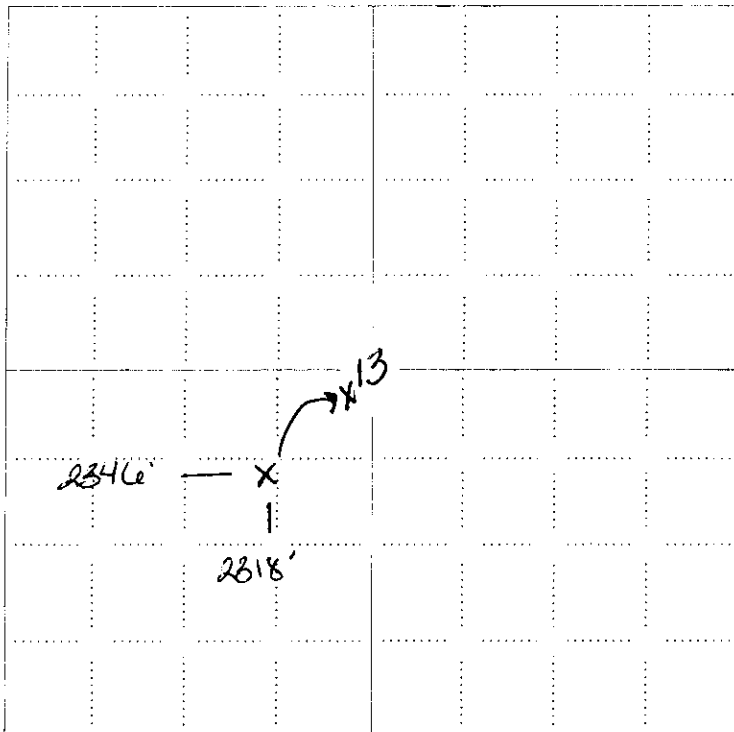
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 151-22298-0000
 Operator: DUNNE EQUITIES OPERATING INC
 Lease: HOGE
 Well Number: 1-13
 Field: KONOLD
 Number of Acres attributable to well: 320
 QTR/QTR/QTR/QTR of acreage: - NE - NE - SW

Location of Well: County: PRATT
 2,318 feet from N / S Line of Section
 2,346 feet from E / W Line of Section
 Sec. 13 Twp. 28 S. R. 13 E W
 Is Section: Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

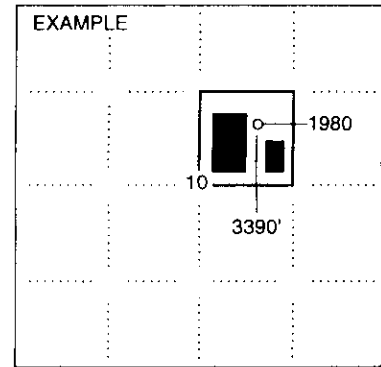
PLAT

*(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.

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 APR 24 2008
 CONSERVATION DIVISION
 WICHITA, KS

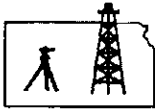


SEWARD CO.

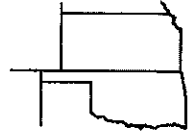
In plotting the proposed location of the well, you must show:

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).

15-151-22298-0000



ROBINSON SERVICES
Oil Field & Construction Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499



x031208-c
PLAT NO.

7468
INVOICE NO.

Dunne Equities Inc.

OPERATOR

Pratt County, KS

COUNTY

13 28s 13w
Sec. Twp. Rng.

#1-13 Hoge

LEASE NAME

2318' FSL - 2346' FWL

LOCATION SPOT

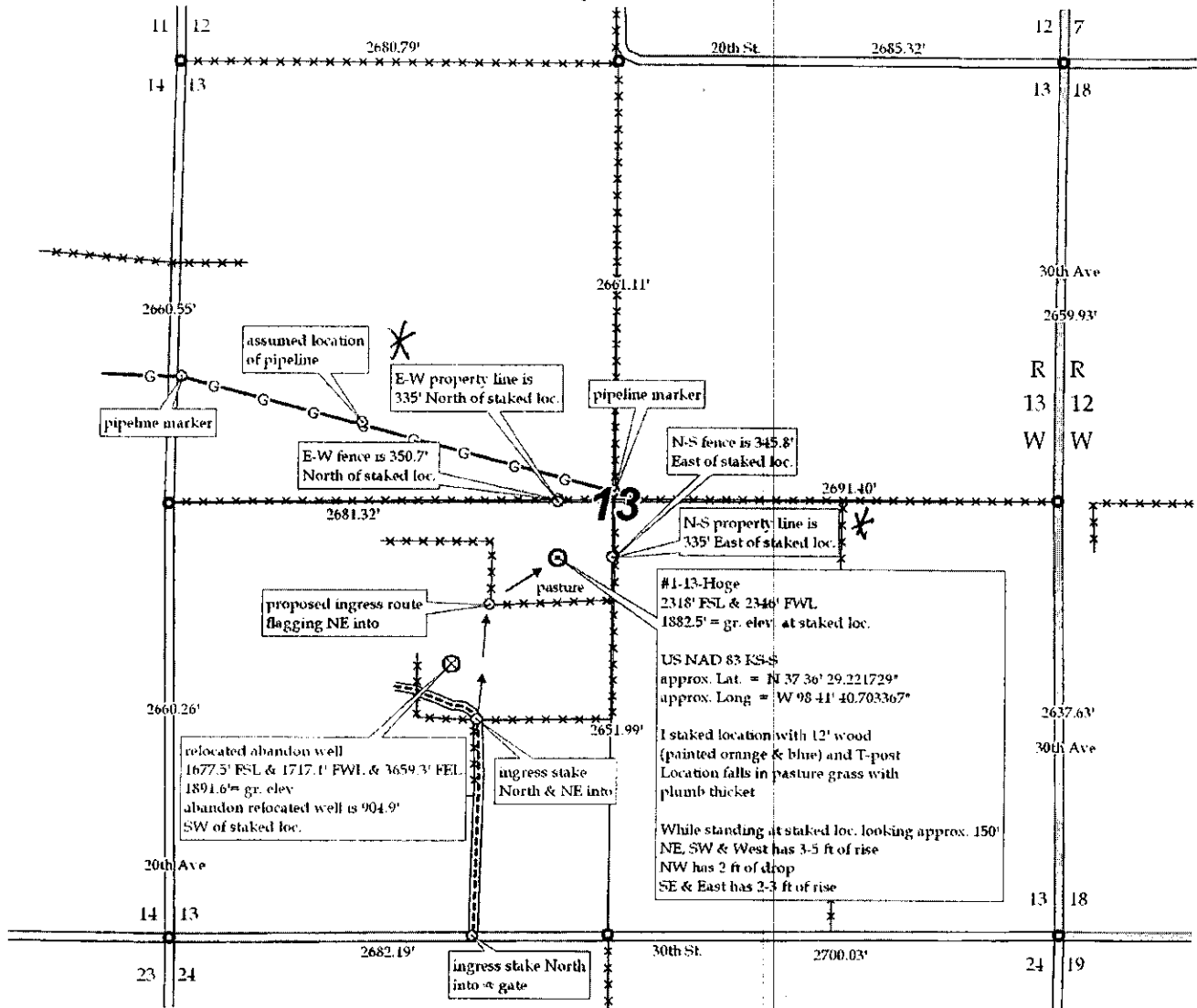
SCALE: 1" = 1000'
DATE: Mar. 12th, 2008
MEASURED BY: Burt W.
DRAWN BY: Gabe Q.
AUTHORIZED BY: Edgar D.



GR. ELEVATION: 1882.5'

Directions: From the center of Pratt, Ks at the intersection of Hwy 54 & Hwy 281 - Now go 3 miles South on Hwy 281 - Now go 2 miles East on 30th St to the SW corner of section 13-28s-13w - Now go 0.4 mile on East to ingress stake North into - Now go 0.3 mile North on lease road - Now go approx. 720' North through pasture into staked location - Now go approx. 500' NE through pasture into staked location.
Final ingress must be verified with land owner or Dunne Equities, Inc.

*This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only*



**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: DUNNE EQUITIES OPERATING INC | | License Number: 32166 |
| Operator Address: 8100 E 22ND ST N. # 1100 | | WICHITA KS 67226 |
| Contact Person: BRITTANY BLANKENSHIP | | Phone Number: 316-684-6508 |
| Lease Name & Well No.: HOGUE 1-13 | | Pit Location (QQQQ): NE NE SW Sec <u>13</u> Twp. <u>28</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2,318</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>2,346</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section PRATT 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 <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: <u>500</u> (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? DICKS MUD SEAL & LCM |
| Pit dimensions (all but working pits): <u>60</u> Length (feet) <u>60</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. |
| Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet | | Depth to shallowest fresh water <u>250</u> <u>89</u> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" 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: <u>CHEMICAL MUD</u> Number of working pits to be utilized: <u>0</u> Abandonment procedure: <u>LET DRY & BACKFILL</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>4/23/08</u> Date | <u>B. Blankenship</u> Signature of Applicant or Agent | RECEIVED KANSAS CORPORATION COMMISSION APR 24 2008 CONSERVATION DIVISION WICHITA KS |

15751-22298-0000

| | | | | |
|-------------------------------|----------------------|------------------------------------|--|--|
| KCC OFFICE USE ONLY | | Steel Pit <input type="checkbox"/> | RFAC <input checked="" type="checkbox"/> | RFAS <input checked="" type="checkbox"/> |
| Date Received: <u>4/24/08</u> | Permit Number: _____ | Permit Date: <u>4/25/08</u> | Case Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |

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



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

April 25, 2008

Brittany Blankenship
Dunne Equities Operating Inc.
8100 E 22nd St N, Ste 1100
Wichita KS 67226

Re: Drilling Pit Application
Hoge Lease Well No. 1-13
SW/4 13-28S-13W
Pratt County, Kansas

Dear Ms. Blankenship:

District staff has inspected the above referenced location and has determined that **steel pits are to be used at the well**. The **reserve pit shall be located on top of the hill**, constructed **without slots**, the bottom shall be flat and reasonably level and 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 as soon as practical after drilling operations have ceased.

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 (620) 225-8888 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: <http://kcc.ks.gov/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,

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Steve Durrant
File