

For KCC Use:
 Effective Date: 6-2-08
 District # _____
 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 2 2008
 month day year

OPERATOR: License # 5003
 Name: McCoy Petroleum Corporation
 Address 1: 8080 E. Central, Suite #300
 Address 2: _____
 City: Wichita State: KS Zip: 67206-2366
 Contact Person: Scott Hampel
 Phone: 316-636-2737 x 104

CONTRACTOR: License # 5142
 Name: Sterling Drilling Company

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

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: E2 SW SW Sec 1 Twp. 27 S Rng. 18 E W

660 feet from N / S Line of Section
990 feet from E / W Line of Section

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

County: Kiowa
 Lease Name: HANEY "B" Well #: 1-1

Field Name: Greensburg
 Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippian
 Nearest Lease or unit boundary (in footage): 660'

Ground Surface Elevation: ~ 2160' 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: 220'

Depth to bottom of usable water: 260'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 280'

Length of Conductor Pipe (if any): None

Projected Total Depth: 4750'

Formation at Total Depth: Mississippian

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

RECEIVED
 KANSAS CORPORATION COMMISSION

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 unable water to surface within **120 days** of plug 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.

MAY 20 2008

CONSERVATION DIVISION
 WICHITA, KS

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

Date: 5/19/08 Signature of Operator or Agent: Scott Hampel Title: Vice President - Production

For KCC Use ONLY
 API # 15 - 097-21637-0000
 Conductor pipe required None feet
 Minimum surface pipe required 280 feet per ALT. I II
 Approved by: Kurt S 5-28-08
 This authorization expires: 5-28-09
 (This authorization void if drilling not started within 12 months of effective 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: _____

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

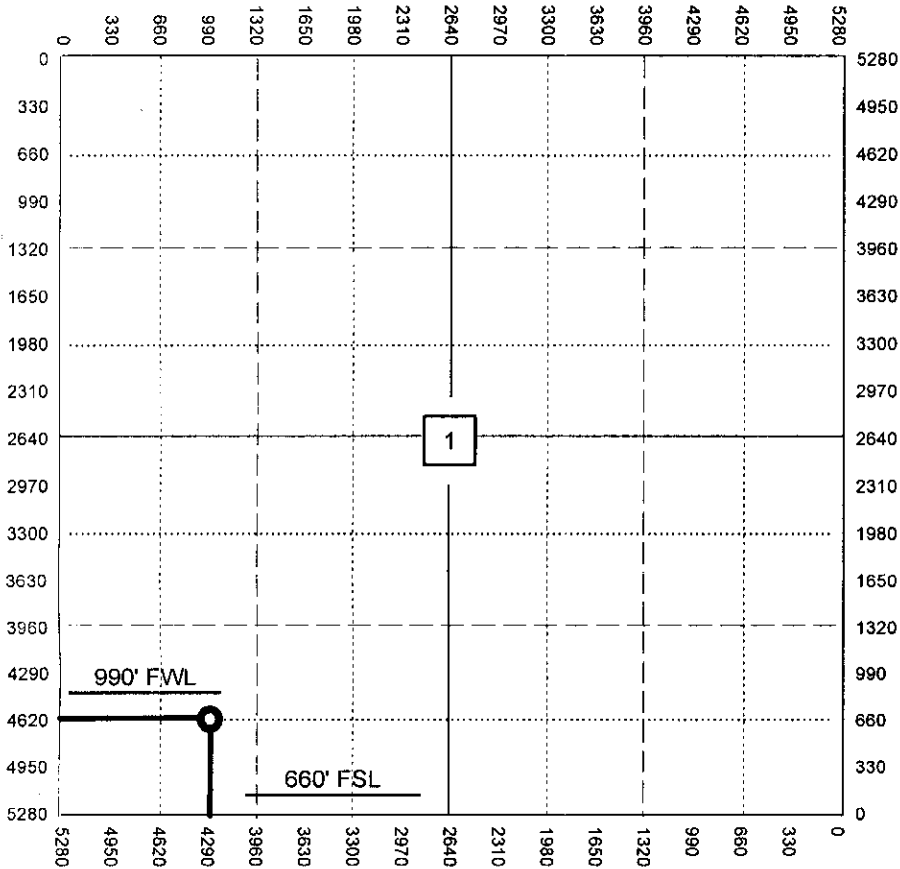
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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. - 097-21637-0000
 Operator: McCoy Petroleum Corporation
 Lease: HANEY "B"
 Well Number: #1-1
 Field: Greensburg
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: E2 SW SW

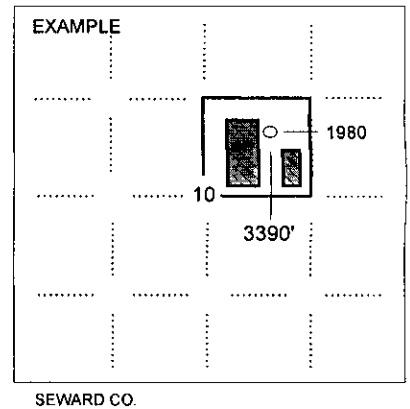
Location of Well: County: Kiowa County, KS
 _____ 660 feet from N S (check one) Line of Section
 _____ 990 feet from E W (check one) Line of Section
 Sec 1 Twp 27 S. R. 18 East West
 Is Section: Regular Irregular?
 If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: 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 fine.)*



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).

**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: McCoy Petroleum Corporation		License Number: 5003	
Operator Address: 8080 E. Central, Suite #300, Wichita, KS 67206-2366			
Contact Person: Scott Hampel		Phone Number: 316-636-2737x104	
Lease Name & Well No.: HANEY "B" #1-1		Pit Location (QQQQ): E2 SW SW	
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: 3600 (bbls)	
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? Bentonite / Drilling Mud			
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet)			
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>NA 1642</u> feet Depth of water well <u>NA 130</u> feet		Depth to shallowest fresh water <u>NA 33</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>Bentonite</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Haul free fluids, let dry, backfill, return surface to original condition.</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.			
_____ Date 5/19/08		_____ Signature of Applicant or Agent Scott Hampel	

15097-216 37-0000

KCC OFFICE USE ONLY			
Date Received: <u>5/20/08</u>	Permit Number: _____	Permit Date: <u>5/28/08</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

RECEIVED
KANSAS CORPORATION COMMISSION

MAY 20 2008

CONSERVATION DIVISION
WICHITA, KS

RFS + 96 HRS



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

May 28, 2008

Mr. Scott Hampel
McCoy Petroleum Corporation
8080 E. Central Ste 300
Wichita, KS 67206-2366

RE: Drilling Pit Application
Haney B Lease Well No. 1-1
SW/4 Sec. 01-27S-18W
Kiowa County, Kansas

Dear Mr. Hampel:

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 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 96 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 (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: 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
Department of Environmental Protection and Remediation

cc: File