

For KCC Use:
 Effective Date: 7-2008
 District # 4
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

Form C-1
 October 2007
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date: August 21, 2008
month day year
 OPERATOR: License# 6569
 Name: Carmen Schmitt Inc.
 Address 1: PO Box 47
 Address 2:
 City: Great Bend State: KS Zip: 67530
 Contact Person: Jacob Porter
 Phone: 620-793-5100

CONTRACTOR: License# 33935
 Name: HD Drilling LLC

<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Other:	# of Holes	<input type="checkbox"/> 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:
 Sec. 11 Twp. 13 S. R. 34 E W
 890 feet from N / S Line of Section
 2,210 feet from E / W Line of Section
 Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Logan
 Lease Name: Sharpe Well #: 1
 Field Name: WC
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Cherokee

Nearest Lease or unit boundary line (in footage): 890' South
 Ground Surface Elevation: est 2972' 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: 100 150
 Depth to bottom of usable water: 1300 1450
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 240'
 Length of Conductor Pipe (if any):
 Projected Total Depth: 4650'
 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, **WICHITA, KS** 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: July 11, 2008 Signature of Operator or Agent: Jacob L Porter Title: Operations Manager

For KCC Use ONLY
 API # 15 - 109-20818-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per ALT. I II
 Approved by Rum 7-15-08
 This authorization expires: 7-15-09
 (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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 JUL 14 2008
 CONSERVATION DIVISION
 WICHITA, KS

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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 - 109-20818-0000
Operator: Carmen Schmitt Inc.
Lease: Sharpe
Well Number: 1
Field: WC

Location of Well: County: Logan
890 feet from N / S Line of Section
2,210 feet from E / W Line of Section
Sec. 11 Twp. 13 S. R. 34 E W

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

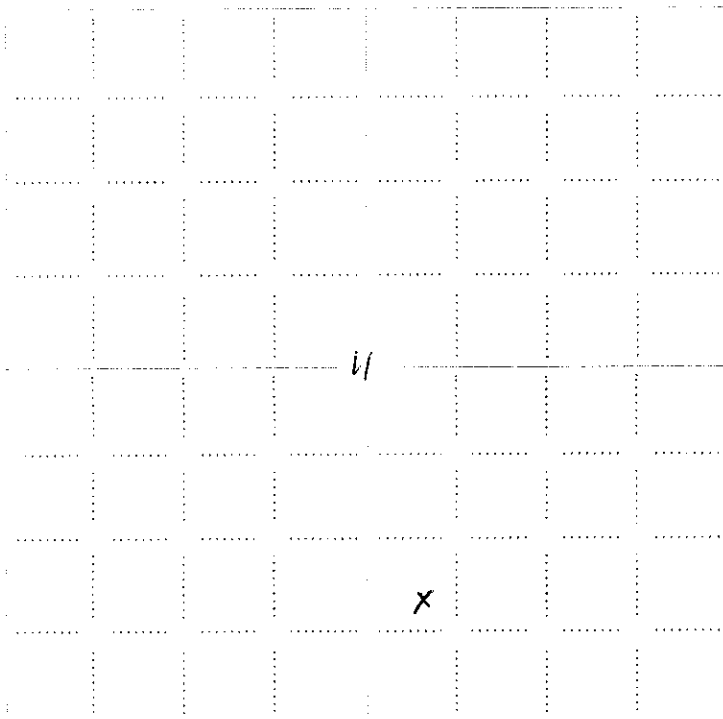
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

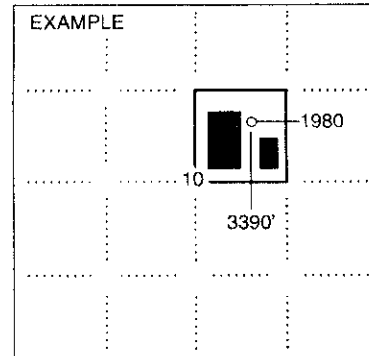
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)*



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

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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).

**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: Carmen Schmitt Inc.		License Number: 6569	
Operator Address: PO Box 47		Great Bend KS 67530	
Contact Person: Jacob Porter		Phone Number: 620-793-5100	
Lease Name & Well No.: Sharpe 1		Pit Location (QQQQ): _____ -NW_ SW_ SE_	
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: 1,500 (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? natural clays and bentonite			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (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.	
		visual inspection <div style="text-align: right;"> RECEIVED KANSAS CORPORATION COMMISSION JUL 15 2008 CONSERVATION DIVISION WICHITA, KS </div>	
Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet -4800 46		Depth to shallowest fresh water _____ 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: bentonite Number of working pits to be utilized: _____ 4 Abandonment procedure: evaporate and backfill 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.			
July 11, 2008 Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: <u>7/15/08</u>		Permit Number: _____	
Permit Date: <u>7/15/08</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"/>			

15-109-20818-0000

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