

For KCC Use: 8-2-08
 Effective Date: 4
 District # 4
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

OWWO

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: 8/1/08
 month day year

OPERATOR: License# 33937
 Name: Meridian Energy Inc.
 Address 1: 1475 N. Ward Cr.
 Address 2: _____
 City: Franktown State: CO Zip: 80116 + _____
 Contact Person: Neal LaFon
 Phone: 303-688-4022

CONTRACTOR: License# Must be licensed by KCC
 Name: Advise on ACO-1

| | | |
|---|-----------------------------------|---|
| Well Drilled For: | Well Class: | Type Equipment: |
| <input checked="" type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Infield |
| <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. |
| <input type="checkbox"/> Seismic ; _____ # of Holes | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other | <input type="checkbox"/> Cable |

If OWWO: old well information as follows:
 Operator: Derby Oil Co.
 Well Name: #2 Lewis
 Original Completion Date: 1/28/51 Original Total Depth: 3745

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

Spot Description: _____
 _____ - SW - NE - NW Sec. 23 Twp. 10 S. R. 21 E W
 (a/a/a/a) 990 feet from N / S Line of Section
1,650 feet from E / W Line of Section

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

County: Graham
 Lease Name: Lewis Well #: #2
 Field Name: Cooper

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

Nearest Lease or unit boundary line (in footage): 990
 Ground Surface Elevation: 2172 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: 150
 Depth to bottom of usable water: 900

Surface Pipe by Alternate: I II
 Length of Surface Pipe ~~to be set:~~ note 269'

Length of Conductor Pipe (if any): _____
 Projected Total Depth: 3755
 Formation at Total Depth: Arbuckle

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: _____

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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: 7/22/08 Signature of Operator or Agent: Neal LaFon Title: President

For KCC Use ONLY
 API # 15 - 065-01756-00-02
 Conductor pipe required None feet
 Minimum surface pipe required 269 feet per ALT. I II
 Approved by: kw 7-28-08
 This authorization expires: 7-28-09
 (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: _____

23
 10
 21
 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 - 065-01756-00-02
 Operator: Meridian Energy Inc.
 Lease: Lewis
 Well Number: #2
 Field: Cooper

Location of Well: County: Graham
990 feet from N / S Line of Section
1,650 feet from E / W Line of Section
 Sec. 23 Twp. 10 S. R. 21 E W

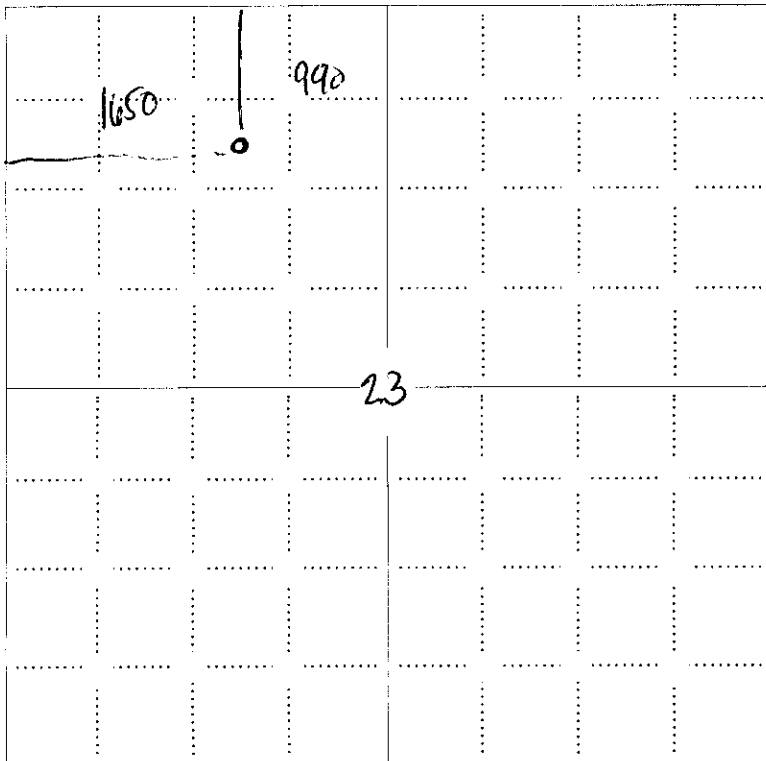
Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - SW - NE - NW

Is Section: Regular or Irregular

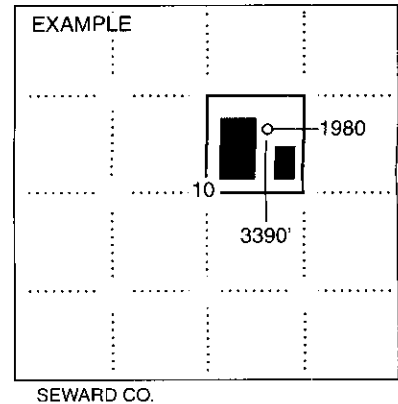
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



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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

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| | | | |
|--|--|---|--|
| Operator Name: Meridian Energy Inc. | | License Number: 33937 | |
| Operator Address: 1475 N. Ward Cr. | | Franktown CO 80116 | |
| Contact Person: Neal LaFon | | Phone Number: 303-688-4022 | |
| Lease Name & Well No.: Lewis #2 | | Pit Location (QQQQ): SW NE 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> | | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 90 (bbls) | |
| | | Sec. 23 Twp. 10 R. 21 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 990 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,650 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Graham County | |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: 15,000 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| Pit dimensions (all but working pits): 10 Length (feet) 10 Width (feet) | | N/A: Steel Pits | |
| Depth from ground level to deepest point: 5 (feet) | | No Pit | |
| If the pit is lined give a brief description of the liner material, thickness and installation procedure. 6 mil plastic, anchored around edges | | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. temporary pit/visual monitoring | |
| Distance to nearest water well within one-mile of pit N/A feet Depth of water well _____ feet | | Depth to shallowest fresh water _____ Source of information: <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: water Number of working pits to be utilized: 1 Abandonment procedure: evaporate or dispose of water, remove liner 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. | | | |
| Date: 7/22/08 | | Signature of Applicant or Agent  | |

KCC OFFICE USE ONLY

Steel Pit RFAC RFAS

Date Received: **7/24/08** Permit Number: _____ Permit Date: **7/24/08** Lease Inspection: Yes No

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

15-065-0756-00-02

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WICHITA, KS

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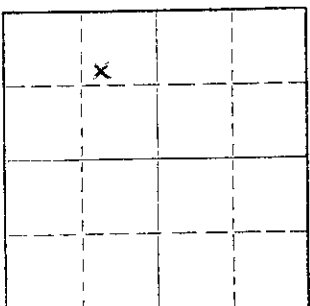
STATE OF KANSAS
STATE CORPORATION COMMISSION

Form CP-4

WELL PLUGGING RECORD

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
212 No. Market
Wichita, Kansas 67202

Graham County, Sec. 23 Twp. 10 Rge. 21 (E) W (W)
Location as "NE/CNW/SW" or footage from lines XX SW NE NW
Lease Owner Palomino Petroleum
Lease Name Lewis Well No. # 2
Office Address 304 Insurance Bldg.; Wichita, Ks. 67202
Character of Well (completed as Oil, Gas or Dry Hole) Oil ~~FOR FCC~~ 7/28/71
Date well completed Jan 25 19 71
Application for plugging filed November 19 71
Application for plugging approved November 19 71
Plugging commenced December 24 19 71
Plugging completed December 24 19 71
Reason for abandonment of well or producing formation Non-commercial



Locate well correctly on above Section Plat

Name of Conservation Agent who supervised plugging of this well Bill Nichols
Producing formation Wichita Depth to top 3740 Bottom 3745 Total Depth of Well 3745 Feet
Show depth and thickness of all water, oil and gas formations.

CASING RECORD

| FORMATION | CONTENT | FROM | TO | SIZE | PUT IN | PULLED OUT |
|-----------|---------|------|----|--------|--------|------------|
| | | | | 8 5/8" | 269 | None |
| | | | | 4 1/2" | 3741 | None |
| | | | | | | |
| | | | | | | |
| | | | | | | |
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| | | | | | | |

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.

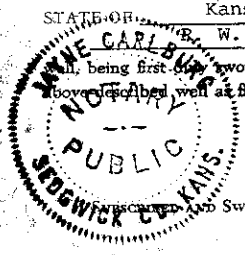
December 24, 1971 Allied Cementing Co. mixed and pumped down
4 1/2" casing, 2 sx of hulls, 30 sx of cement,
20 sx of gel and 3 sx of cement.
4 1/2" casing had been cemented in.

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CONSERVATION DIVISION
Wichita, Kansas

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

Name of Plugging Contractor RUSS CASING PULLING, INC.
Address P. O. BOX 1082 GREAT BEND, KS. 67530

STATE OF Kansas, COUNTY OF Sedgwick ss.
R. W. Watchous (owner or operator) of the above-described
being first 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) R. W. Watchous
304 Insurance Bldg. Wichita, Ks. (Address)
Sworn to before me this 30 day of December 19 71



My commission expires September 22, 1975
Jayne Carlburg Notary Public.