

For KCC Use: 9-29-08
Effective Date: _____
District # 2
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: 09 22 2008
month day year

OPERATOR: License# 33638 ✓
Name: Metro Energy Group, Inc.
Address 1: P.O. Box 691734
Address 2: _____
City: Tulsa State: OK Zip: 74169 + _____
Contact Person: Jeff Steinke or Robert Pfannenstiel
Phone: 918-438-7971 and 918-493-2880

CONTRACTOR: License# 33549 ✓
Name: Landmark Drilling, LLC

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

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: _____
SW NE SW Sec. 3 Twp. 19 S. R. 3 E W
(0000) 1,650 ✓ 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: Marion
Lease Name: Scully Well #: 1-3
Field Name: Lost Springs

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian, Hunton, Viola, Simpson, Arbuckle

Nearest Lease or unit boundary line (in footage): 990
Ground Surface Elevation: 1400 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
Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 250

Length of Conductor Pipe (if any): _____
Projected Total Depth: 3500

Formation at Total Depth: Arbuckle ✓
Water Source for Drilling Operations:
 Well Farm Pond Other: _____

DWR Permit #: _____
(Note: Apply for Permit with DWR) Yes No

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; 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: 9-22-08 Signature of Operator or Agent: Robert F. Pfannenstiel Title: Geologist

For KCC Use ONLY
API # 15 - 115-21398-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. I II
Approved by: RWS 9-24-08
This authorization expires: 9-24-09
(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: _____

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

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SEP 24 2008

CONSERVATION DIVISION
WICHITA, KS

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 - 115-21398000
Operator: Metro Energy Group, Inc.
Lease: Scully
Well Number: 1-3
Field: Lost Springs

Location of Well: County: Marion
1,650 feet from N / S Line of Section
1,650 feet from E / W Line of Section
Sec. 3 Twp. 19 S. R. 3 E W

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

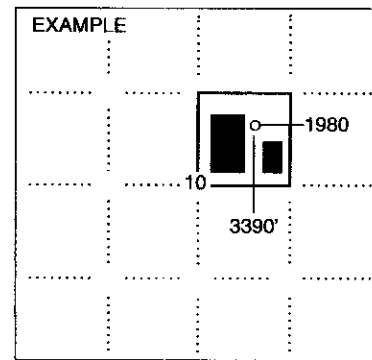
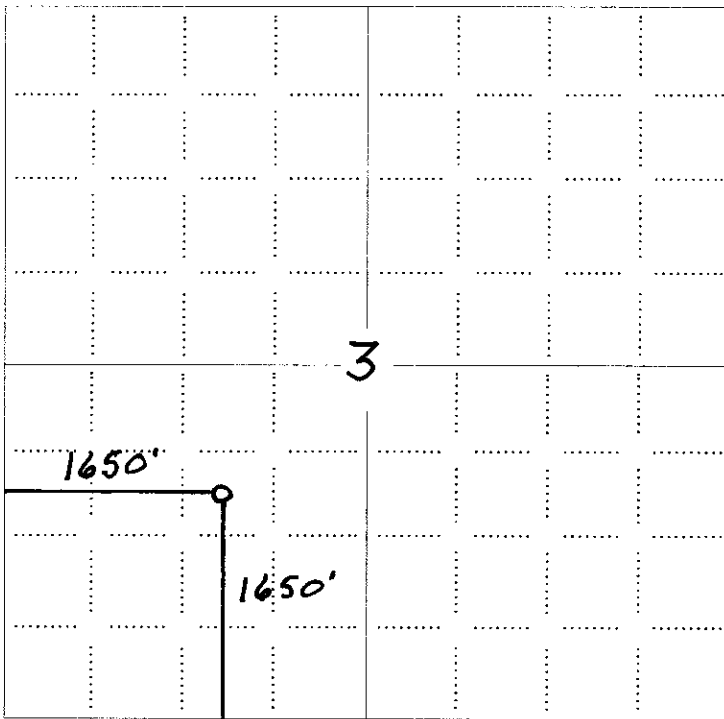
Is Section: Regular or Irregular

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.)



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

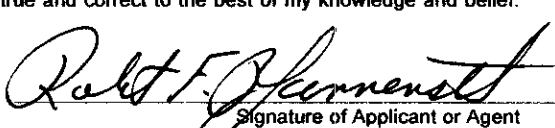
In plotting the proposed location of the well, you must show:

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: Metro Energy Group, Inc. | | License Number: 33638 | |
| Operator Address: P.O. Box 691734 | | Tulsa OK 74169 | |
| Contact Person: Jeff Steinke or Robert Pfannenstiel | | Phone Number: 918-438-7971 and 918-493-2880 | |
| Lease Name & Well No.: Scully 1-3 | | Pit Location (QQQQ): <div style="text-align: center;"> <u>SW</u> <u>NE</u> <u>SW</u> Sec. <u>3</u> Twp. <u>19</u> R. <u>3</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>1,650</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1,650</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Marion County </div> | |
| 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: 10,000 (bbls) | |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: <u>500</u> 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? | | | |
| Pit dimensions (all but working pits): <u>120</u> Length (feet) <u>120</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 <u>2379</u> feet Depth of water well <u>102</u> feet | | Depth to shallowest fresh water <u>48</u> feet. Source of information: <input type="checkbox"/> measured <input 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>Fresh Water Mud</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Evaporation and 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>9-22-08</u> Date | |  Signature of Applicant or Agent | |
| KCC OFFICE USE ONLY | | | |
| Date Received: <u>9/24/08</u> Permit Number: _____ | | Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/> | |
| Permit Date: <u>9/24/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |

15-115-21388-0000

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

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