

For KCC Use: 12-17-08  
 Effective Date: \_\_\_\_\_  
 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: 12 29 2008  
 month day year

OPERATOR: License# 5363 ✓  
 Name: Berexco Inc.  
 Address 1: PO Box 20380  
 Address 2: \_\_\_\_\_  
 City: Wichita State: KS Zip: 67208 + \_\_\_\_\_  
 Contact Person: Jeremy Enszt  
 Phone: 316-265-3311  
 CONTRACTOR: License# 5147 ✓  
 Name: Beredco Inc.

Spot Description: W2-W2-E2  
W2-E2-E2 Sec. 21 Twp. 23 S. R. 24  E  W  
 (0:0:0) 2,640 feet from  N /  S Line of Section  
1,025 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Hodgeman

Lease Name: Hart Unit Well #: 1

Field Name: Don West

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Mississippi

Nearest Lease or unit boundary line (in footage): 660' (Declaration of Pooled Unit Attached)

Ground Surface Elevation: 2360 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: 250

Depth to bottom of usable water: 500 680

Surface Pipe by Alternate:  I  II

Length of Surface Pipe Planned to be set: 500 700' min.

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: 4800 ✓

Formation at Total Depth: Mississippi

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: \_\_\_\_\_

Well Drilled For:  Oil  Gas  Seismic; # of Holes \_\_\_\_\_  
 Enh Rec  Storage  Disposal  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 #: \_\_\_\_\_

Declaration of Pooled Unit Attached

AFFIDAVIT

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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:

DEC 12 2008

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** 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.

CONSERVATION DIVISION  
 WICHITA, KS

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

Date: 12/10/08 Signature of Operator or Agent: [Signature] Title: District Engineer

**For KCC Use ONLY**  
 API # 15 - 083-21586-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 700 feet per ALT.  I  II  
 Approved by: [Signature] 12-12-08  
 This authorization expires: 12-12-09  
 (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: \_\_\_\_\_

21  
23  
24  
 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 - 083-21586-0000

Operator: Berexco Inc.

Lease: Hart Unit

Well Number: 1

Field: Don West

Number of Acres attributable to well: \_\_\_\_\_

QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_

Location of Well: County: Hodgeman

2,640 feet from  N /  S Line of Section

1,025 feet from  E /  W Line of Section

Sec. 21 Twp. 23 S. R. 24  E  W

Is Section:  Regular or  Irregular

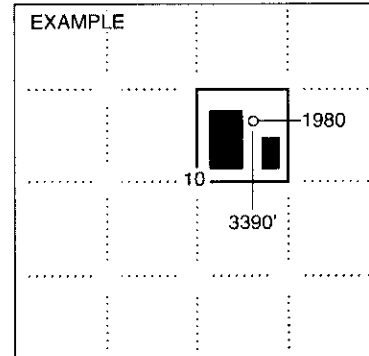
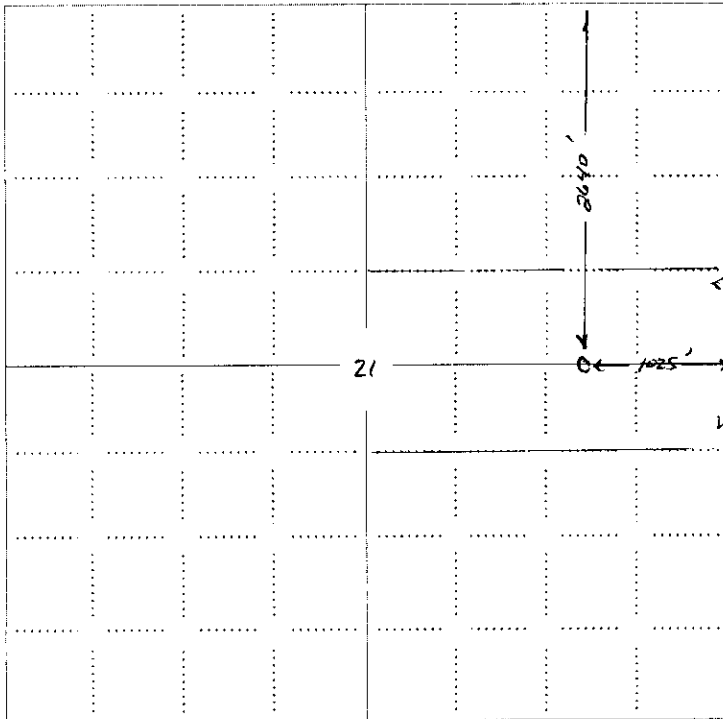
**If Section is Irregular, locate well from nearest corner boundary.**

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.)*



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WICHITA, KS

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

**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: <b>Berexco Inc.</b>		License Number: <b>5363</b>
Operator Address: <b>PO Box 20380</b>		<b>Wichita KS 67208</b>
Contact Person: <b>Jeremy Ensz</b>		Phone Number: <b>316-265-3311</b>
Lease Name & Well No.: <b>Hart Unit 1</b>		Pit Location (QQQQ): <u>W/2 E/2 E/2</u> Sec. <u>21</u> Twp. <u>23</u> R. <u>24</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2,640</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>1,025</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Hodgeman</b> 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>600</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input 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?
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</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>723</u> feet    Depth of water well <u>230</u> feet		Depth to shallowest fresh water <u>108</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>Bentonite</u> Number of working pits to be utilized: <u>4</u> Abandonment procedure: <u>Allow pits to evaporate. Contour to surrounding terrain.</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.		RECEIVED KANSAS CORPORATION COMMISSION <b>DEC 12 2008</b> CONSERVATION DIVISION WICHITA, KS
<u>12/10/08</u> Date		<u>[Signature]</u> Signature of Applicant or Agent
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>12/12/08</u> Permit Number: _____		Permit Date: <u>12/12/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-083-21586-0000

INDEXED

15-083-21580-0000

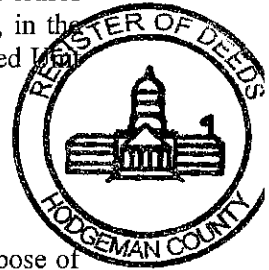
DECLARATION OF POOLED UNIT

State: KANSAS
County: HODGEMAN
Operator: BEREXCO INC.
Effective Date: October 15, 2008

STATE OF KANSAS \$8.00
COUNTY OF HODGEMAN SS
This instrument was filed for record on this 21 day of Oct. 20 08 at 9:15 o'clock A M and duly recorded in Book M/85 at Page 243
Register of Deeds
Tech Fee: \$4.00

Operator, named above, pursuant to the authority granted by the terms of the oil and gas leases (the "Leases") described in Exhibit "A," pools and combines the following lands (the "Lands"), in the county and state named above, that are subject to the Leases, and designates the Lands as a Pooled Unit (the "Unit") for the purposes of drilling for and producing oil and/or gas:

Township 23 South, Range 24 West
Section 21: S1/2S1/2NE1/4, N1/2N1/2SE1/4



The Unit created by this Declaration shall be known as the Hart No. 1 Unit. For the purpose of this Declaration and the designation of the Hart No. 1 Unit, reference is made to the Leases described in Exhibit "A" to this Declaration, insofar as the Leases cover the Lands included in the Unit. Exhibit "A" is made a part of this Declaration for all purposes.

Each of the Leases contain provisions authorizing the original Lessee and Lessee's successors or assigns to pool, combine, or unitize the Lands covered by each of the Leases with other lands and leases for the purpose of creating a unit for the production of oil or gas. This Declaration is executed by the current Lessee under the Leases, and is filed of record in the county where the Lands are located for the purpose of exercising the pooling authority granted to the Lessee in the Leases, and giving notice of the Lands included in the Unit hereby established.

This Declaration shall be, and the Unit created, effective as of the Effective Date stated above and shall be in effect for one (1) year from the Effective Date and as long thereafter as oil and/or gas is produced from a well or wells located on the Lands within the Hart No. 1 Unit or actual drilling or reworking operations are being conducted on the Lands within the Hart No. 1 Unit, with no cessation greater than the time periods provided for in the Leases, or for so long as the Leases and the aforesaid Operating Agreement otherwise remain in effect as to the Lands included in the Hart No. 1 Unit.

This Declaration is signed by Operator as of the date of acknowledgment of Operator's signature below, but is effective for all purposes as of the Effective Date stated above.

BEREXCO INC.

By: [Signature]
Charles B. Spradlin, Jr.
Title: Vice President

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CONSERVATION DIVISION
WICHITA, KS

STATE OF KANSAS §
COUNTY OF SEDGWICK §

This instrument was acknowledged to me on October 15, 2008, by Charles B. Spradlin, Jr., as Vice President of BEREXCO INC.

Commission expires: 6/2/11



[Signature]
Notary Public in and for the State of KANSAS
Printed Name: Anne A. Bowman

15083-21586-0000

Exhibit "A": Description of Oil and Gas Leases

Lease No.: X-9799A, X-9848A, X-9849A, X-9850A  
Lease Date: October 26, 2007  
Lessor: The Frank Allen Bentley Better Living Trust dated June 17, 1991  
Lessee: J. Fred Hambright, Inc.  
Recorded: Book 60, Page 49  
Lands: INSOFAR AS SAID LEASE COVERS  
Township 23 South, Range 24 West  
Section 21: S½S½NE¼, N½N½SE¼

Lease No.: X-9799B, X-9848B, X-9849B, X-9850B  
Lease Date: October 30, 2007  
Lessor: Dale J. Hart and Cynthia A. Hart, his wife  
Lessee: J. Fred Hambright, Inc.  
Recorded: Book 60, Page 74  
Lands: INSOFAR AS SAID LEASE COVERS  
Township 23 South, Range 24 West  
Section 21: S½S½NE¼, N½N½SE¼

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