

For KCC Use: Effective Date: 2-25-2009 District #: 4 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION FEB 20 2009

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

NOTICE OF INTENT TO DRILL RECEIVED Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: February 25 2009 month day year

OPERATOR: License# 33922 Name: Mustang Energy Corporation Address 1: 2521 East 20th ST Address 2: City: Hays State: KS Zip: 67601 Contact Person: Rodney Brin Phone: 785-828-3660 CONTRACTOR: License# 33575 Name: W.W. Drilling

Spot Description: NE 1/4 SW 1/4 Sec. 32 Twp. 12 S. R. 17 E W 990 feet from N S Line of Section 850 feet from E W Line of Section

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

County: Ellis Lease Name: Schmeidler "A" Well #: 1 Field Name: Reed

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

Nearest Lease or unit boundary line (in footage): 330' Ground Surface Elevation: 2043 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: 180' Depth to bottom of usable water: 700'

Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe (if any): None Projected Total Depth: 3600

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

DWR Permit #: (Note: Apply for Permit with DWR) Will Cores be taken? Yes No

If Yes, proposed zone:

Well Drilled For: Oil Gas Enh Rec 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 #:

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: 2-12-09 Signature of Operator or Agent: Rodney Brin Title: Owner

For KCC Use ONLY API # 15 - 051-25858-00-00 Conductor pipe required None feet Minimum surface pipe required 200 feet per ALT. I II Approved by: RMB 2-20-2009 This authorization expires: 2-20-2010 (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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32 12 17 E W

FEB 20 2009
RECEIVED

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 - 051-25858-00-00
Operator: Mustang Energy Corporation
Lease: Schmeidler "A"
Well Number: 1
Field: Reed

Location of Well: County: Ellis
990 feet from N / S Line of Section
850 feet from E / W Line of Section
Sec. 32 Twp. 12 S. R. 17 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - ~~NW/4~~ - ~~SE/4~~ - SW/4
NE SW

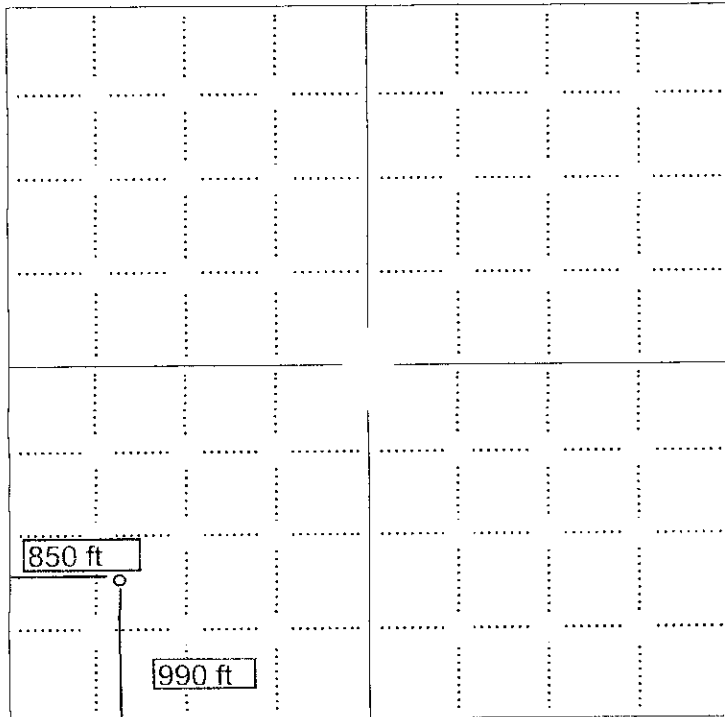
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

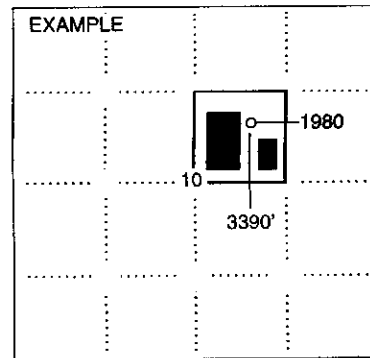
PLAT

*(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.

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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**

**FEB 20 2009
RECEIVED**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Mustang Energy Corporation		License Number: 33922	
Operator Address: 2521 East 20th ST		Hays	KS 67601
Contact Person: Rodney Brin		Phone Number: 785-628-3660	
Lease Name & Well No.: Schmeidler "A" 1		Pit Location (QQQQ): NE SW NW/4 SE/4 SW/4	
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: 1,000 (bbbls)	
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? Native Soil			
Pit dimensions (all but working pits): <u>65</u> Length (feet) <u>65</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>3</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>4225</u> feet Depth of water well <u>31</u> feet		Depth to shallowest fresh water <u>12</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>Drilling Mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Airdry & 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.			
_____ 2/12/09 Date	_____ Signature of Applicant or Agent		RECEIVED KANSAS CORPORATION COMMISSION FEB 17 2009 CONSERVATION DIVISION WICHITA, KS

15205125858-00

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: <u>01/17/09</u>	Permit Number: _____	Permit Date: <u>2/12/09</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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