

For KCC Use:
 Effective Date: 6-14-2009
 District #: 1
 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: 6-14-2009
month day year

OPERATOR: License# 32659
 Name: Phoenix PetroCorp, Inc.
 Address 1: 6401 S. Custer Road Ste. 130
 Address 2: _____
 City: McKinney State: Texas Zip: 75070
 Contact Person: Charlie Williams
 Phone: 469-452-6033

CONTRACTOR: License# 30606
 Name: Murfin Drilling Company, Inc.

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Enh Rec Storage Disposal Other: _____
 Infield Pool Ext. Wildcat 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 #: _____

Prorated & Spaced: Hugoton

Unit boundary map attached.

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: 6-2-09 Signature of Operator or Agent: [Signature]

Title: Regulatory Analysis

For KCC Use ONLY
 API # 15 - 129-21874-0000
 Conductor pipe required 380 feet
 Minimum surface pipe required _____ feet per ALT. I II
 Approved by: [Signature]
 This authorization expires: 6-9-2010
(This authorization void if drilling not started within 12 months of approval date.)
 Spud date: _____ Agent: _____

Spot Description: _____
 SE SW SW Sec. 18 Twp. 35 S. R. 41 E W
 (a-a-a-a) 165 feet from N / S Line of Section
 1,155 feet from E / W Line of Section
 Is SECTION: Regular Irregular?

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

County: Morton
 Lease Name: Northwest Flats Unit Well #: 3-3
 Field Name: Taloga
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): MRW U
 Nearest Lease or unit boundary line (in footage): +1167 1633'
 Ground Surface Elevation: 3580' 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: 300
 Depth to bottom of usable water: 300
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 1550'
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: 4800'
 Formation at Total Depth: MRW U
 Water Source for Drilling Operations:
 Well Farm Pond Other: Existing Unit WSW located in Okla.
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

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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: _____

18 35 41 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 - 129-21874-00-00
 Operator: Phoenix PetroCorp, Inc.
 Lease: Northwest Flats Unit
 Well Number: 3-3
 Field: Taloga

Location of Well: County: Morton
 165 feet from N / S Line of Section
 1,155 feet from E / W Line of Section
 Sec. 18 Twp. 35 S. R. 41 E W

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

Is Section: Regular or Irregular

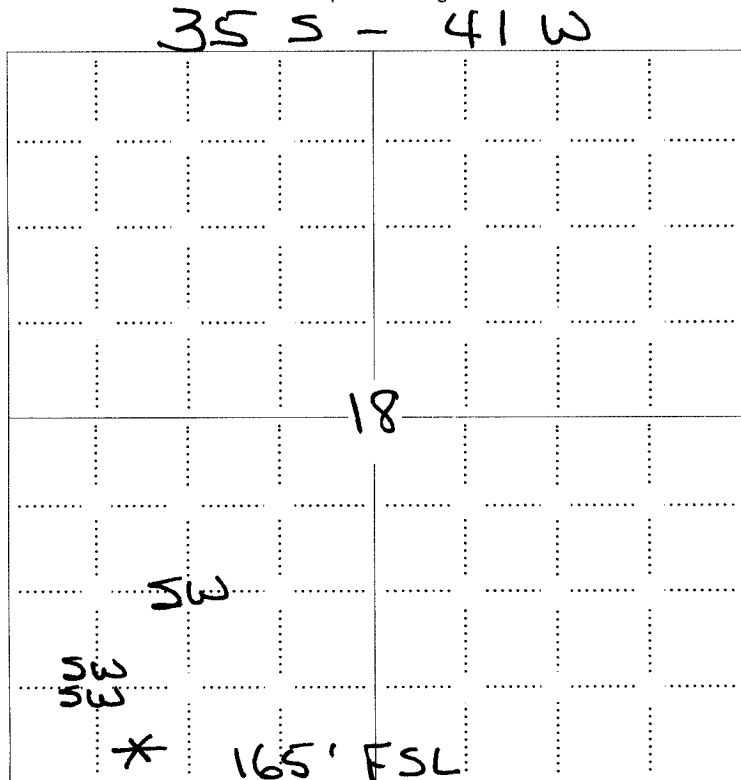
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

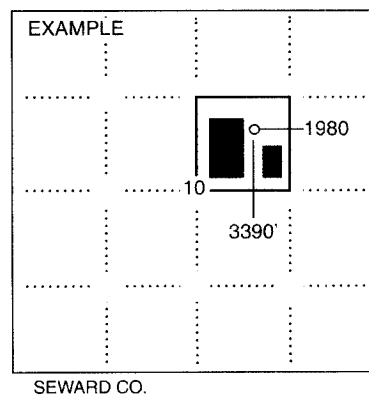
(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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

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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: (C0-7 for oil wells; CG-8 for gas wells).

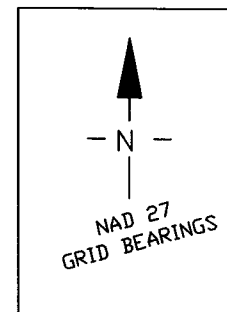
15-129-21874-00-00

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Northwest Flats Unit
Morton County, Kansas
Texas County, TX.
(2285 Acres)



5280' 5280' 5280'

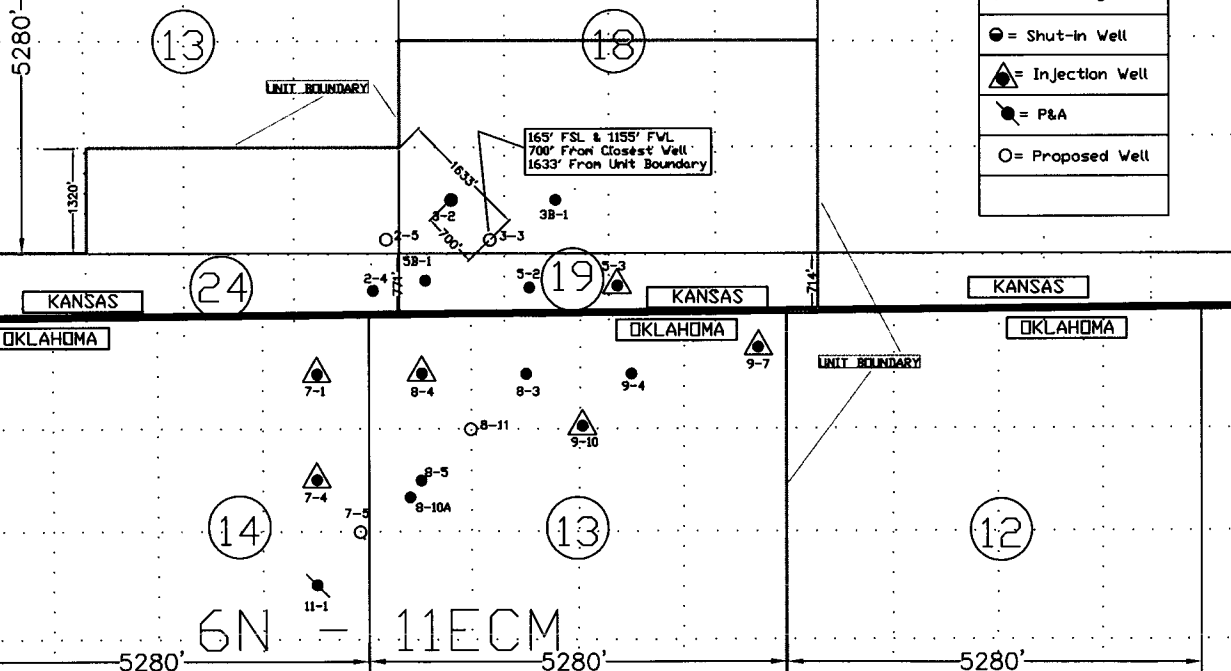
35S 42W

35S 41W

LEGEND	
●	= Producing Well
⊙	= Shut-in Well
▲	= Injection Well
⦿	= P&A
○	= Proposed Well

NORTHWEST FLATS UNIT

WELL	MORTON COUNTY, KANSAS
SECTION 18	
3-2A	660' N & 4620' W of SE Corner
3B-1	660' N & 3300' W of SE Corner
SECTION 19	
5B-1	338' N & 4946' W of SE Corner
5-2	330' N & 3630' W of SE Corner
5-3	404' N & 2525' W of SE Corner
SECTION 24	
2-4	470' S & 330' W of NE Corner
WELL	TEXAS COUNTY, OKLAHOMA
SECTION 13	
8-2	1980' FSL & 330' FSL
8-3	1980' FSL & 1980' FSL
8-4	1980' FSL & 660' FSL
8-5	660' FSL & 3300' FSL
8-7	660' FSL & 1980' FSL
8-9	1320' FSL & 2640' FSL
8-10A	515' FSL & 450' FSL
9-4	4620' FSL & 3300' FSL
9-7	2310' FSL & 2260' FSL
9-10	1340' FSO & 50' FSL
SECTION 14	
7-1	1980' FSL & 1980' FSL
7-4	4620' FSL & 3300' FSL
11-1	4620' FSL & 1980' FSL



5280'

KANSAS OKLAHOMA KANSAS OKLAHOMA OKLAHOMA

6N 11ECM 5280' 5280' 5280'

NORTHWEST FLATS UNIT
LOCATION: MORTON COUNTY, KANSAS
SECTIONS 13, 18, 19 & 24
LOCATION: TEXAS COUNTY, OKLAHOMA
SECTIONS 13 & 14
Containing 2,284.82 (+/-) Acres

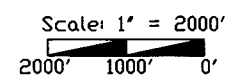


PHOENIX PETROCORP, INC.
6401 S. CUSTER RD., STE 130
MCKINNEY, TX 75070
PHONE: (469) 452-6031
FAX: (469) 452-6041



I, James H. Williams, Licensed Professional Engineer, License #74744, do hereby certify that to the best of my knowledge this plat is true and correct.

DRAWN BY: G.R.T.
DATE: 05/19/09
NWF 101
PRODUCTION



James H. Williams

15-129-21874-00-00

13

18

UNIT BOUNDARY

165' FSL & 1155' FWL
700' From Closest Well
1633' From Unit Boundary

1633'

3-2

3B-1

2-5

3-3

5B-1

24

2-4

●

5-2

19

5-3

KANSAS

OKLAHOMA

▲ ●

9-7

▲ ●

7-1

▲ ●

8-4

●

8-3

●

9-4

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**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: Phoenix PetroCorp, Inc.		License Number: 32659	
Operator Address: 6401 S. Custer Road Ste. 130		McKinney Texas 75070	
Contact Person: Charlie Williams		Phone Number: 469-452-6033	
Lease Name & Well No.: Northwest Flats Unit 3-3		Pit Location (QQQQ): _____ SE _____ SW _____ SW	
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 (If WP Supply API No. or Year Drilled) Steel pit as primary & earthen as reserve		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 6,000 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? Earthen pit will be sealed by the drilling mud.			
Pit dimensions (all but working pits): _____ Length (feet) _____ Width (feet) <input checked="" type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: _____ 3 _____ (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure. A steel pit will be used as the primary drilling pit. The earthen pit mentioned above will be a reserve pit and only used if necessary.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <div style="text-align: right;"> RECEIVED JUN 08 2009 KCC WICHITA 15-129-21874-00-00 </div>	
Distance to nearest water well within one-mile of pit _____ 840 _____ feet Depth of water well _____ 350 _____ feet		Depth to shallowest fresh water _____ 350 _____ 110 feet. Source of information: _____ JR-KGS _____ <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: _____ Native mud _____ Number of working pits to be utilized: _____ 2 _____ Abandonment procedure: _____ Commercial water disposal then cover earthen pit with original (native) top soil. _____ 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.			
_____ 6-2-09 _____ Date		_____ <i>[Signature]</i> _____ Signature of Applicant or Agent	

KCC OFFICE USE ONLY		Steel Pit <input checked="" type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: 6/8/09	Permit Number: _____	Permit Date: 6/8/09	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	