

For KCC Use:

Effective Date:

District #

SGA? ☐ Yes ☒ NoKANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

## NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date: Sept. 28, 2009  
month day year

OPERATOR: License#

31885

Name: M & M Exploration, Inc.Address 1: 60 Garden Center, Suite 102

Address 2:

City: Broomfield State: CO Zip: 80020 +Contact Person: Mike AustinPhone: 303-438-1991CONTRACTOR: License# 33350Name: Southwind Drilling LLC

Well Drilled For:

Well Class:

Type Equipment:

☒ Oil☐ Enh Rec☒ Infield☒ Mud Rotary☐ Gas☐ Storage☐ Pool Ext.☐ Air Rotary☐ Disposal☐ Wildcat☐ Cable☐ Seismic

# of Holes

☐ Other☐ 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 #:

Spot Description:

NE SW NE SE Sec. 36 Twp. 33 S. R. 15 ☐ E ☒ W  
(a/a/a/a) 1,885 feet from ☐ N / ☒ S Line of Section  
720 feet from ☒ E / ☐ W Line of SectionIs SECTION: ☒ Regular ☐ Irregular?

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

County: BarberLease Name: Z BarWell #: 36-9Field Name: Aetna Gas AreaIs this a Prorated / Spaced Field? ☐ Yes ☒ NoTarget Formation(s): MississippianNearest Lease or unit boundary line (in footage): 720Ground Surface Elevation: 1818 feet MSL

Water well within one-quarter mile:

☐ Yes ☒ No

Public water supply well within one mile:

☐ Yes ☒ NoDepth to bottom of fresh water: 150'Depth to bottom of usable water: 180'Surface Pipe by Alternate: ☒ I ☐ IILength of Surface Pipe Planned to be set: 280Length of Conductor Pipe (if any): NoneProjected Total Depth: 5200'Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

☐ Well☒ Farm Pond☐ Other:

DWR Permit #:

(Note: Apply for Permit with DWR ☒)

Will Cores be taken?

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: Sept. 17, 2009Signature of Operator or Agent: Mike AustinTitle: President

SEP 21 2009

CONSERVATION DIVISION  
WICHITA, KS

## For KCC Use ONLY

API # 15 - 007-23454-00-00Conductor pipe required None feetMinimum surface pipe required 200 feet per ALT. ☒ I ☐ IIApproved by: Mike AustinThis authorization expires: 9-22-2010

(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:36  
33  
15  
☐ E  
☒ W

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

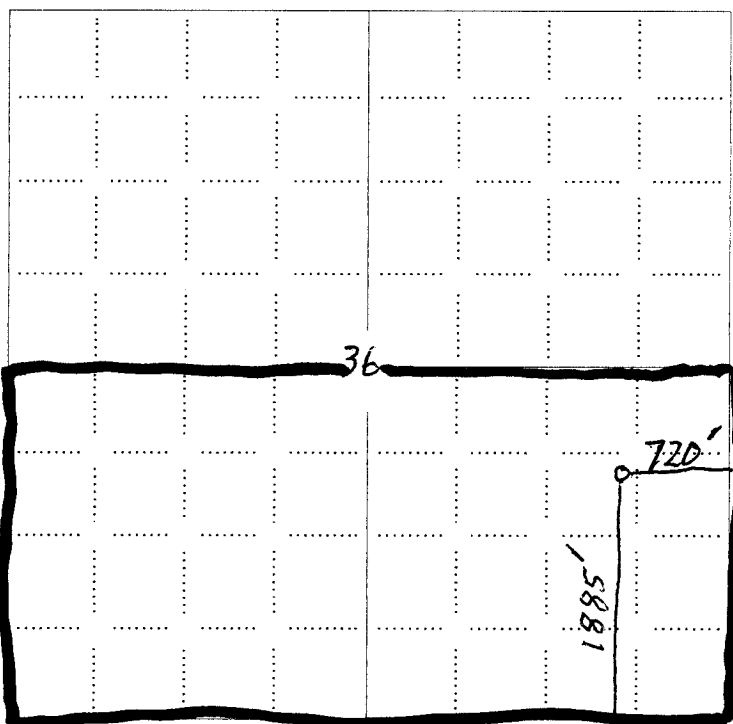
**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW***Plat of acreage attributable to a well in a prorated or spaced field*

**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.

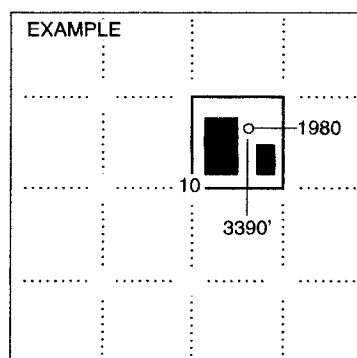
API No. 15 - 007-23454-00-00Operator: M & M Exploration, Inc.Lease: Z BarWell Number: 36-9

Field: \_\_\_\_\_

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

QTR/QTR/QTR/QTR of acreage: NE - SW - NE - SELocation of Well: County: Barber1,885 feet from ☐ N / ☒ S Line of Section720 feet from ☒ E / ☐ W Line of SectionSec. 36 Twp. 33 S. R. 15 ☐ E ☒ WIs 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.**RECEIVED  
KANSAS CORPORATION COMMISSION

SEP 21 2009

CONSERVATION DIVISION  
WICHITA, KS

SEWARD CO.

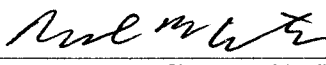
**In plotting the proposed location of the well, you must show:**

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**

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>M &amp; M Exploration, Inc.</b>		License Number: <b>31885</b>	
Operator Address: <b>60 Garden Center, Suite 102</b>		<b>Broomfield CO 80020</b>	
Contact Person: <b>Mike Austin</b>		Phone Number: <b>303-438-1991</b>	
Lease Name & Well No.: <b>Z Bar 36-9</b>		Pit Location (QQQQ): <b>NE SW NE SE</b> Sec. <b>36</b> Twp. <b>33</b> R. <b>15</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1,885</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>720</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Barber</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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <b>May 18, 2009</b> Pit capacity: _____ (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): <b>100</b> Length (feet) <b>100</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>4</b> (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.  <b>This pit was a haul off pit (15007204840001H) for the Z Bar Cattle Co #1 SWD, drilled in May, 2009, in the NE/4 NE/4 of Sec. 31-33S-14W.</b>	
Distance to nearest water well within one-mile of pit <b>N/A</b> feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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: <b>Fresh water mud</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Evaporate then backfill</b> <div style="text-align: right;"><b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b></div> 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.		<b>SEP 21 2009</b>	
Sept. 17, 2009 Date		 Signature of Applicant or Agent	
		<b>CONSERVATION DIVISION WICHITA, KS</b>	

15-007-23454-00-00

<b>KCC OFFICE USE ONLY</b>		Steel Pit <input type="checkbox"/>	RFAC <input checked="" type="checkbox"/>	RFAS <input checked="" type="checkbox"/>
Date Received: <b>9/21/09</b>	Permit Number: _____	Permit Date: <b>9/21/09</b>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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



Mark Parkinson, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner

September 21, 2009

M & M Exploration, Inc.  
60 Garden Center Ste 102  
Broomfield, CO 80020

RE: Drilling Pit Application  
Z Bar Leasae Well No. 36-9  
SE/4 Sec. 36-33S-15W  
Barber County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: [www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.**

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes  
Department of Environmental Protection and Remediation

cc: File