

For KCC Use:
Effective Date: 6-1-2010
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 07 month 12 day 2010 year

Spot Description: NE NE SW SW Sec 19 Twp 28 S. R 39 E W

OPERATOR: License # 5952
Name: BP AMERICA PRODUCTION COMPANY
Address: P. O. BOX 3092, RM 3.454B, WL-1
City/State/Zip: HOUSTON, TX 77253-3092
Contact Person: DEANN SMYERS
Phone: (281) 366-4395

1250 feet from N S Line of Section
1250 feet from E W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License # ADRIAN ONADO MUST BE LICENSED WITH KCC
Name:

County: Stanton
Lease Name: Scherling Gas Unit Well #: 4

Field Name: Hugoton - Panama
Is this a Prorated/Spaced Field? Yes No

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

Target Formation(s): Council Grove
Nearest Lease or unit boundary: 1250

Ground Surface Elevation: 3214 feet MSL
Water well within one-quarter mile: Yes No
Public water supply within one mile: Yes No

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date: Original Total Depth

Depth to bottom of fresh water: 440
Depth to bottom of usable water: 240
Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 760' min
Length of Conductor pipe (if any):
Projected Total Depth: 2863

Directional, Deviated or Horizontal wellbore? Yes No
If yes, true vertical depth:
Bottom Hole Location
KCC DKT # 10-CONS-129-OWLE

Formation at Total Depth: Council Grove
Water Source for Drilling Operations: Well Farm Pond Other

DWR Permit #: will apply if needed
(Notes: Apply for Permit with DWR) Yes No
Will Cores Be Taken?: Yes No
If yes, proposed zone:

PRORATED & SPACED: HUGOTON-PANOMA

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55- 101 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 to the best of my knowledge and belief.

Date: 05/12/2010 Signature of Operator or Agent: Deann Smyers Title: REGULATORY STAFF ASSIST.

For KCC Use ONLY
API # 15- 287-21179-00-00
Conductor pipe required None feet
Minimum surface pipe required 700 feet per ALT.
Approved by: 5-27-2010
This authorization expires: 5-27-2011
(This authorization void if drilling not started within 12 months of effective 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 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:

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 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- 187-211 79-0000
 Operator BP AMERICA PRODUCTION COMPANY
 Lease Scherling Gas Unit
 Well Number 4
 Field Hugoton

Number of Acres attributable to well: 616

QTR/QTR/QTR/QTR of acreage: NE - NE - SW SW

Location of Well: County: Stanton
1250 feet from N / S Line of Section
1250 feet from E / W Line of Section
 Sec 19 Twp 28 S. R. 39 E W

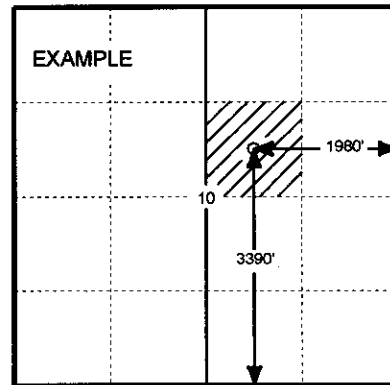
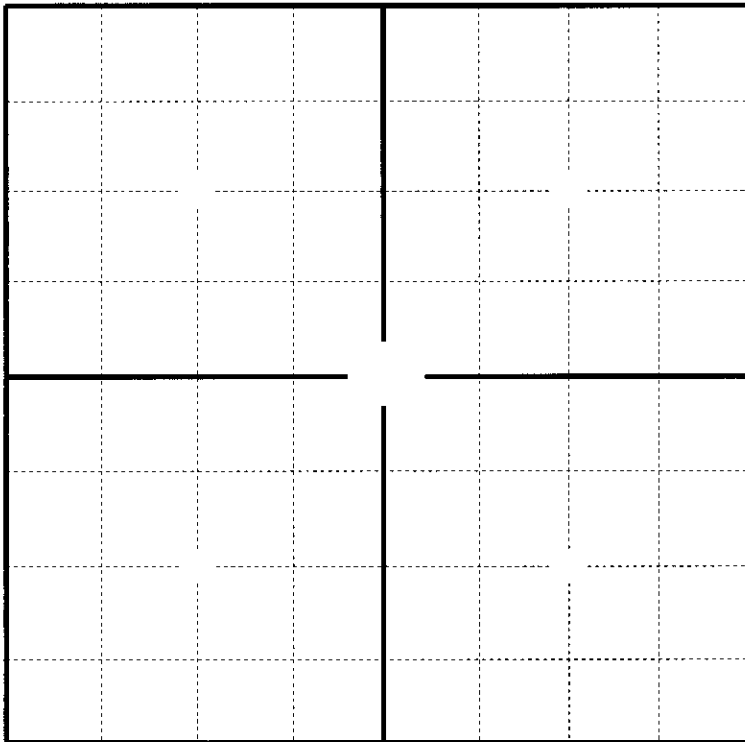
Is Section Regular Irregular

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 nearest lease or unit boundary line)*



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 section's 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).

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division
Finney State Office Building, 130 South Market, Room 2078
Wichita, Kansas 67202

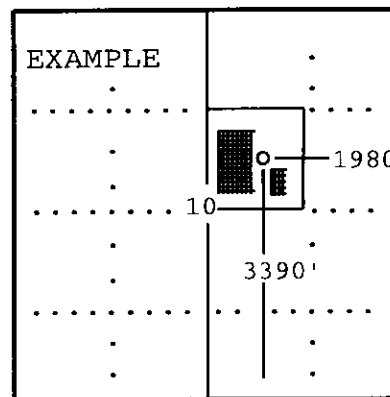
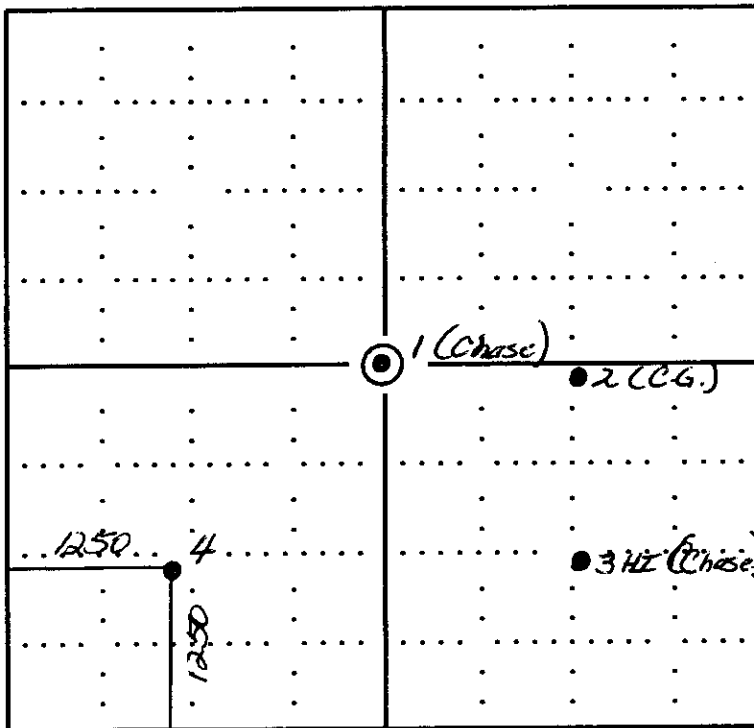
10-CONS-129-CWLE

API NUMBER 15- 187-21179-00-00
OPERATOR BP AMERICA PRODUCTION COMPANY
LEASE SCHERLING GAS UNIT
WELL NUMBER 4
FIELD HUGOTON

LOCATION OF WELL: COUNTY STANTON
1250 FSL feet from south/north line of section
1250 FWL feet from east / west line of section
SECTION 19 TWP 28S (s) RG 39W E/W
IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM
NEAREST CORNER BOUNDARY. (check line below)
Section corner used: NE NW SE SW

NUMBER OF ACRES ATTRIBUTABLE TO WELL 616
QTR/QTR/QTR OF ACREAGE NE - SW - SW

(Show the location of the well and shade attributable acreage for prorated or spaced wells).
(Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



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RECEIVED
KANSAS CORPORATION COMMISSION
MAY 19 2010
CONSERVATION DIVISION
WICHITA, KS

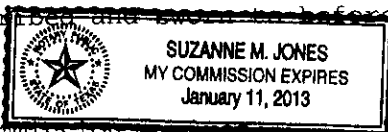
The undersigned hereby certifies as REGULATORY STAFF ASSISTANT (title) for

BP AMERICA PRODUCTION COMPANY

(Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature [Signature]

Subscribed and sworn to before me on this 13 day of NOVEMBER 20 09



[Signature]
Notary Public

My Commission Expires

1-11-2013

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: <u>BP America Production Company</u>		License Number: <u>5952</u>
Operator Address: <u>P. O. Box 3092, Houston, TX 77253-3092, Room 3.454B, WL-1</u>		
Contact Person: <u>DeAnn Smyers</u>		Phone Number: <u>(281) 366-4395</u>
Lease Name & Well No.: <u>Scherling Gas Unit #4</u>		Pit Location (QQQQ): <u>NE SW SW</u> Sec. <u>19</u> Twp. <u>28S</u> R. <u>39</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1250</u> Feet from <input type="checkbox"/> North/ <input checked="" type="checkbox"/> South Line of Section <u>1250</u> Feet from <input type="checkbox"/> East/ <input checked="" type="checkbox"/> West Line of Section <u>Stanton</u> 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>4375</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 pit lined if a plastic liner is not used? <u>Sealed with Bentonite from drilling fluid</u>
Pit dimensions (all but working pits): <u>75</u> Length (feet) <u>75</u> Width (feet) _____ N/A Steel Pits Depth from ground level to deepest point <u>5</u> (feet)		
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. <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION MAY 19 2010 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit <u>3572</u> <u>N/A</u> feet Depth of water well <u>530</u> feet		Depth to shallowest fresh water <u>200</u> feet. Source of information: _____ measured _____ well owner _____ 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 pond? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover <u>Bentonite</u> Number of working pits to be utilized <u>0</u> Abandonment procedure: <u>Evaporate & 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>5/12/2010</u> Date <u>DeAnn Smyers</u> Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: <u>5-19-10</u> Permit Number: _____ Permit Date: <u>5-19-10</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15187-21179-0000