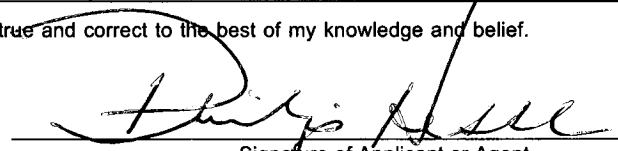


**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>HESSE PETROLEUM COMPANY, LLC.</b>		License Number: <b>31958</b>
Operator Address: <b>400 N. WOODLAWN, STE #7</b>		
Contact Person: <b>PHIL HESSE</b>		Phone Number: <b>316-685-4746</b>
Lease Name & Well No.: <b>HINSHAW #2</b>		Pit Location (QQQQ): <u>NW - NE - SE - NW</u>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>12/2007</u> Pit capacity: _____ (bbls)
		Sec. <u>20</u> Twp. <u>24</u> R. <u>9</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,500</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>2,100</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>RENO</b> _____ County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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>150</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>286</u> feet    Depth of water well <u>75</u> feet		Depth to shallowest fresh water <u>25</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: _____ Abandonment procedure: <u>DRY &amp; 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.		RECEIVED <b>JUL 14 2008</b> KANSAS CORPORATION COMMISSION CONSERVATION DIVISION WICHITA, KS
<u>7/14/2008</u> Date	 Signature of Applicant or Agent	
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>7/14/08</u>	Permit Number: <u>15-155-21538-0000</u>	Permit Date: <u>7/16/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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



*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner*

July 16, 2008

Mr. Phil Hesse  
Hesse Petroleum Co., LLC  
400 N. Woodlawn Ste 7  
Wichita, KS 67208-4333

RE: Haul-Off Pit Application  
Hinshaw Lease Well No. 2  
NW/4 Sec. 20-24S-09W  
Reno County, Kansas

Dear Mr. Hesse:

District staff has inspected the above referenced location and has determined that the haul-off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and free fluids must be removed. The fluids are to be removed from the haul-off pit within 7 days after drilling operations have ceased.

**NO completion fluids or non-exempt wastes shall be placed in the haul-off pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5, 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  
Environmental Protection and Remediation Department

cc: district

For KCC Use:  
 Effective Date: 7-16-08  
 District #: 2  
 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 15 2008  
month day year

OPERATOR: License# 31958  
 Name: Hesse Petroleum Company, LLC  
 Address 1: 400 N. Woodlawn  
 Address 2: Suite 7  
 City: Wichita State: KS Zip: 67208 + 4 3 3  
 Contact Person: Phil Hesse  
 Phone: 316 685-4746  
 CONTRACTOR: License# 5123  
 Name: Pickrell Drilling Company

Spot Description:  
 (0000) SW - SE - SE Sec. 17 Twp. 24 S. R. 9  E  W  
400 feet from  N /  S Line of Section  
1,070 feet from  E /  W Line of Section  
 Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Reno  
 Lease Name: Hinshaw Well #: 2  
 Field Name: Plevna West

Well Drilled For:  Oil  Enh Rec  Gas  Storage  Disposal  Seismic; # of Holes  Other:  
 Well Class:  Infield  Pool Ext.  Wildcat  Other  
 Type Equipment:  Mud Rotary  Air Rotary  Cable

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Mississippi, Viola, Arbuckle  
 Nearest Lease or unit boundary line (in footage): 400'  
 Ground Surface Elevation: 1678' 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: 80'  
 Depth to bottom of usable water: 120'  
 Surface Pipe by Alternate:  I  II  
 Length of Surface Pipe Planned to be set: 210'  
 Length of Conductor Pipe (if any): None  
 Projected Total Depth: 4200'  
 Formation at Total Depth: Arbuckle

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 #: \_\_\_\_\_

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: \_\_\_\_\_

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:

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 JUL 10 2008  
 OIL & GAS CONSERVATION DIVISION  
 WICHITA, KS

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* 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: 07/10/2008 Signature of Operator or Agent: \_\_\_\_\_ Title: Partner

For KCC Use ONLY  
 API # 15 - 155-21538-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 140 feet per ALT.  I  II  
 Approved by: [Signature] 7-11-08  
 This authorization expires: 7-11-09  
 (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: \_\_\_\_\_

17  
24  
9  
 E  W

Haul Fluid 1 week after 7-16-08

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form GDF-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Completion of Drilling Operation by B.S. Hope

Operator Name: HESSE PETROLEUM COMPANY, L.L.C.		License Number: 31958	
Operator Address: 400 N. WOODLAWN, STE #7			
Contact Person: PHIL HESSE		Phone Number: 316-685-4746	
Lease Name & Well No.: HINSHAW #2		Pit Location (QQQQ): <u>NW NE SE NW</u>	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <small>(NWP Supply API No. or Year Drilled)</small>		Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: <u>12/2007</u> Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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?		<u>RENO</u> County	
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>150</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>286</u> feet    Depth of water well <u>75</u> feet		Depth to shallowest fresh water <u>25</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KQWR	
<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: _____ Abandonment procedure: <u>DRY &amp; BACKFILL</u> Drift pits must be closed within 885 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>JUL 14 2008</b> CONSERVATION DIVISION WICHITA, KS	
Date: <u>7/14/2008</u>		Signature of Applicant or Agent: <u>[Signature]</u>	
<b>KCC OFFICE USE ONLY</b> Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>			
Date Received: _____    Permit Number: _____    Permit Date: _____    Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No			

**hesse**  
PETROLEUM COMPANY, L.L.C.

July 14, 2008

Kansas Corporation Commission  
Conservation Division  
130 S. Market  
Room 2078  
Wichita, KS 67202

Re: CDP-1

Please Find the enclosed CDP-1 for the Hinshaw #2 , also enclosed is a letter from M & M Farms, LC, granting Hesse Petroleum Company, LLC permission to use pit located in NW ¼ Section 17-24S-9W Reno County, Kansas.

If there is any further information that you need please feel free to call. Thank you.

Yours Truly,

Hesse Petroleum Company, LLC



Philip E. Hesse

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JUL 14 2008

CONSERVATION DIVISION  
WICHITA, KS

Enc.

July 14, 2008

I, Ellis M. Meeks, Principal of M & M Farms, LC, hereby grant Hesse Petroleum Company, LLC, permission to use of the reserve pit in NW ¼ Section 20-24S-9W, Reno County, Kansas for fluids from their #2 Hinshaw well in the SE ¼ Section 17-24S-9W, Reno County, Kansas.

Signed this 14<sup>th</sup> day of July, 2008.

M & M Farms, LC

*Ellis M. Meeks, President*  
Ellis M. Meeks

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**JUL 14 2008**

CONSERVATION DIVISION  
WICHITA, KS