

For KCC Use: 6-7-2010
 Effective Date: _____
 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 June 3 2010
 month day year

OPERATOR: License # 5003 ✓
 Name: McCoy Petroleum Corporation
 Address 1: 8080 E. Central, Suite #300
 Address 2: _____
 City: Wichita State: KS Zip: 67206-2366
 Contact Person: Scott Hampel
 Phone: 316-636-2737 x 104

CONTRACTOR: License # 5142 ✓
 Name: Sterling Drilling Company

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil ✓	<input checked="" type="checkbox"/> Infield ✓	<input checked="" type="checkbox"/> Mud Rotary ✓
<input type="checkbox"/> Gas	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Storage	<input type="checkbox"/> Other	
<input type="checkbox"/> Disposal		
<input type="checkbox"/> Seismic: # of Holes		
<input type="checkbox"/> 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: S2 S2 NW Sec 29 Twp. 30 S Rng. 31 E W

2310 feet from N / S Line of Section
1320 feet from E / W Line of Section

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

County: Haskell
 Lease Name: SCHMIDT "C" Well #: #5-29

Field Name: Lette SE ✓
 Is this a Prorated / Spaced Field? Yes No

Target Information(s): Kansas City ✓
 Nearest Lease or unit boundary (in footage): 330' ✓

Ground Surface Elevation: 2844' (Surveyed) ✓ 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: 520' ✓
 Depth to bottom of usable water: 580' ✓

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 1825' ✓

Length of Conductor Pipe (if any): None
 Projected Total Depth: 4700' ✓

Formation at Total Depth: Kansas City ✓
 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: _____

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JUN 01 2010

CONSERVATION DIVISION
 WICHITA, KS

PRORATED & SPACED: HUGOTON

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 unaliate water to surface within **120 days** of plug 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: 5/28/10 Signature of Operator or Agent: Scott Hampel Title: Vice President - Production

Scott Hampel
 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: _____

For KCC Use ONLY
 API # 15 - 081-21907-0000
 Conductor pipe required None feet
 Minimum surface pipe required 600 feet per ALT. I II
 Approved by: pm 6-2-2010
 This authorization expires: 6-2-2011
 (This authorization void if drilling not started within 12 months of effective date.)
 Spud date: _____ Agent: _____

29-30-31
 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

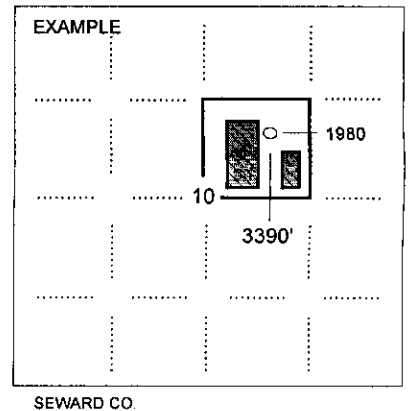
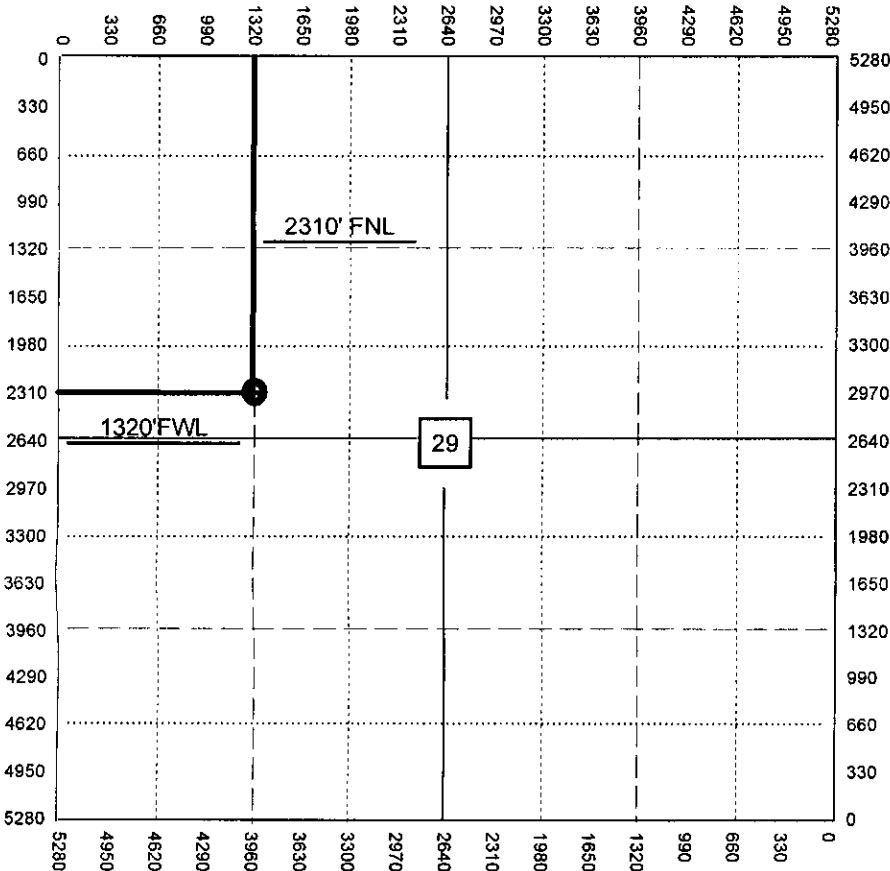
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 081-2190700-00
 Operator: McCoy Petroleum Corporation
 Lease: SCHMIDT "C"
 Well Number: #5-29
 Field: Lette SE
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ NW

Location of Well: County: S2 S2 NW, Haskell County, KS
 _____ 2310 feet from N S (check one) Line of Section
 _____ 1320 feet from E W (check one) Line of Section
 Sec 29 Twp 30 S. R. 31 East West
 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 the nearest lease or unit boundary fine.)*



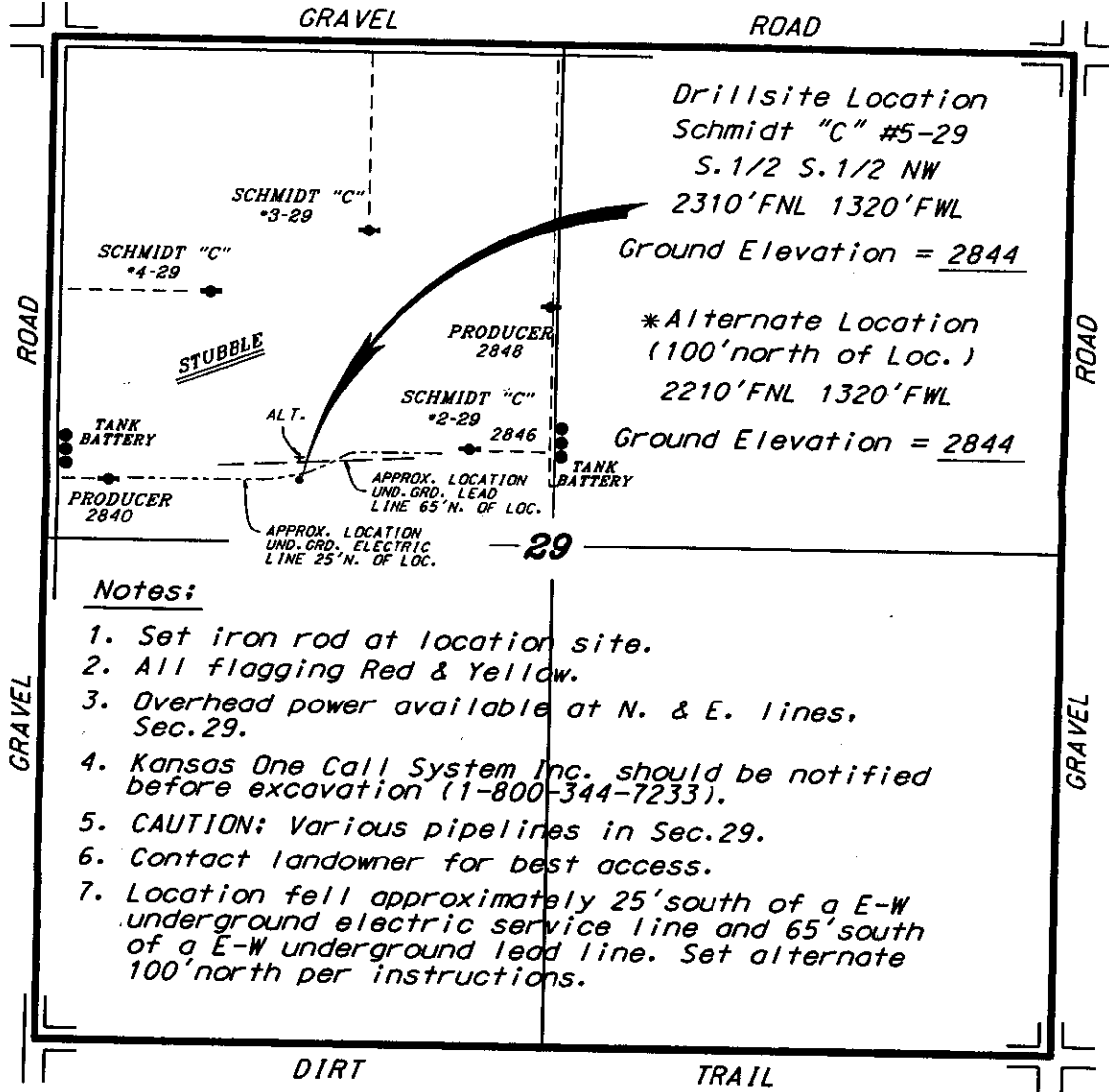
NOTE: In all cases locate the spot of the proposed drilling location.

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).

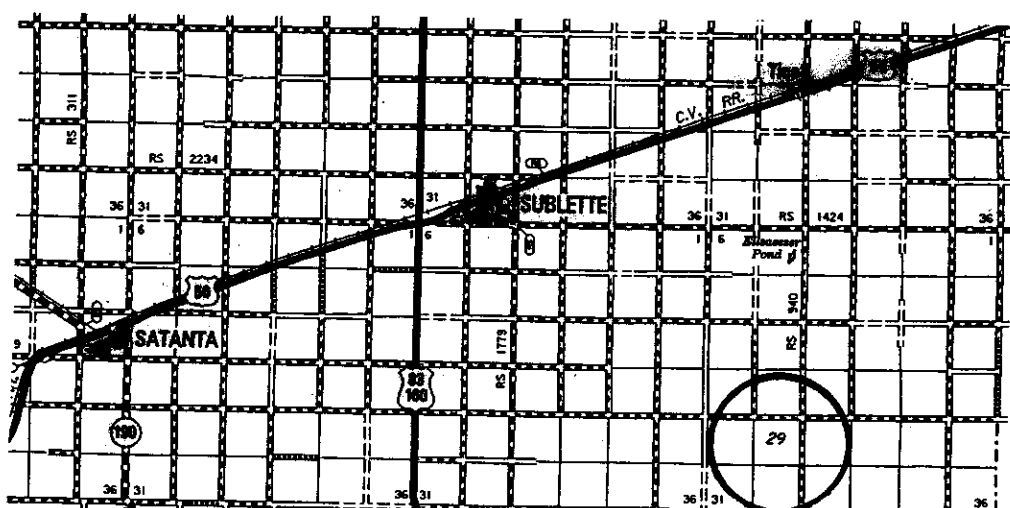
MCCOY PETROLEUM CORPORATION
 SCHMIDT LEASE
 NW. 1/4, SECTION 29, T30S, R31W
 HASKELL COUNTY, KANSAS

15-081-21907-0000



Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at N. & E. lines, Sec. 29.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec. 29.
6. Contact landowner for best access.
7. Location fell approximately 25' south of a E-W underground electric service line and 65' south of a E-W underground lead line. Set alternate 100' north per instructions.



*Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.

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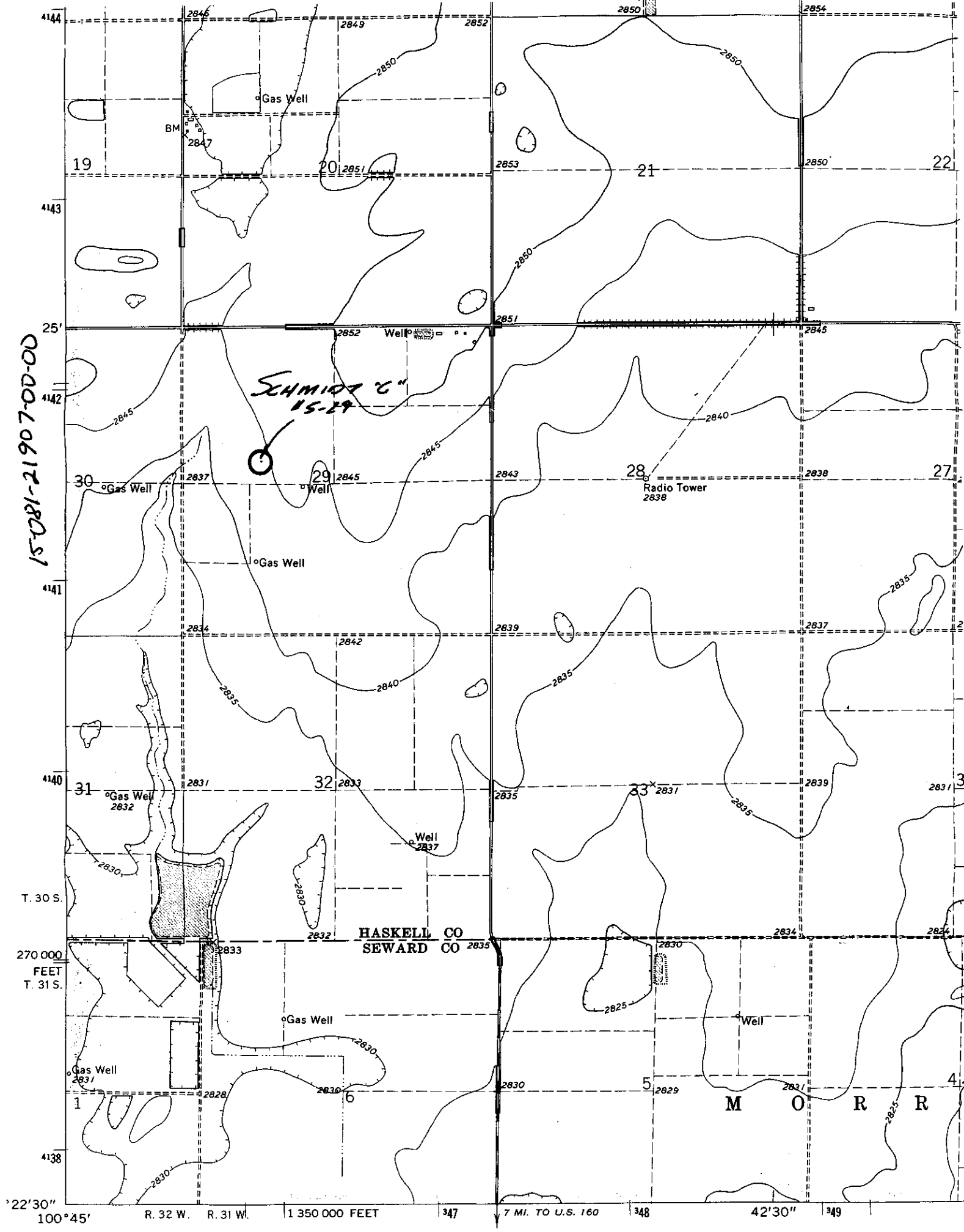
CONSERVATION DIVISION
 WICHITA, KS

* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 * Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.
 * Elevations derived from National Geodetic Vertical Datum.

Date May 26, 2010

CENTRAL KANSAS OILFIELD SERVICES, INC. (620)792-1977

15081-21907-00-00



SCHMIDT "C"
15-29


HASKELL CO
SEWARD CO

M O R R

**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: McCoy Petroleum Corporation		License Number: 5003
Operator Address: 8080 E. Central, Suite #300, Wichita, KS 67206-2366		
Contact Person: Scott Hampel		Phone Number: 316-636-2737x104
Lease Name & Well No.: SCHMIDT "C" #5-29		Pit Location (QQQQ): S2 S2 NW
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: 3600 (bbls)	Sec 29 Twp 30 s R 31 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2310 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1320 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Haskell County
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? Bentonite / Drilling Mud
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) N/A : Steel Pits Depth from ground level to deepest point: 4 (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.
Distance to nearest water well within one-mile of pit NA 734 feet Depth of water well NA 450 feet		Depth to shallowest fresh water NA 200 feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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: Bentonite Number of working pits to be utilized: 3 Abandonment procedure: Evaporate and let dry, return location to original condition. 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.		
5/28/10 Date	 Signature of Applicant or Agent	Scott Hampel
KCC OFFICE USE ONLY		
Date Received: 6-1-10	Permit Number: _____	Permit Date: 6-1-10 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-081-21907-00-00

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, KS 67202
KANSAS CORPORATION COMMISSION

JUN 01 2010

CONSERVATION DIVISION
WICHITA, KS