

OWWO

For KCC Use: 10-26-2010
Effective Date: 4
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1

March 2010

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
Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: 11 month 15 day 2010 year

OPERATOR: License# 33937 ✓
Name: Meridian Energy Inc.
Address 1: 1475 Ward Cr.
Address 2:
City: Franktown State: CO Zip: 80116 +
Contact Person: Neal LaFon, President
Phone: 303-688-4022

CONTRACTOR: License# must be licensed by KCC
Name: advise on ACO-1

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

If OWWO: old well information as follows:
Operator: AFG Energy Inc.
Well Name: 8-4 Cerrow
Original Completion Date: 9/7/93 Original Total Depth: 3468 3459 ACO-1

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Spot Description:
S/2 - NE - NW - Sec. 4 Twp. 9 S. R. 19 E W
(2/2/2/2) 4,290 feet from N / S Line of Section
3,300 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

Lease Name: Cerrow Well #: 8-4
Field Name: Webster ✓

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle ✓

Nearest Lease or unit boundary line (in footage): 990 ✓

Ground Surface Elevation: 2003 ✓ 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:

Depth to bottom of usable water:

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 8 5/8 @ 320' 5 1/2 @ 3470

Length of Conductor Pipe (if any):

Projected Total Depth: 3488

Formation at Total Depth: Arbuckle ✓

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:

- 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: 10/15/2010 Signature of Operator or Agent: Neal LaFon Title: President

For KCC Use ONLY
API # 15 - 163-23228-00-01
Conductor pipe required None feet
Minimum surface pipe required 320 feet per ALT. I II
Approved by: Neal LaFon 10-21-2010
This authorization expires: 10-21-2011
(This authorization void if drilling not started within 12 months of approval date.)
Spud date: Agent:

- Remember to:
- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
 - 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 well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.
- Well will not be drilled or Permit Expired Date: Signature of Operator or Agent:

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

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4
9
19
 E
 W

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API # 15 - 163-23228-00-01

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: Meridian Energy Inc.
 Lease: Cerrow
 Well Number: 8-4
 Field: Webster
 Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: S/2 - NE - NW - _____

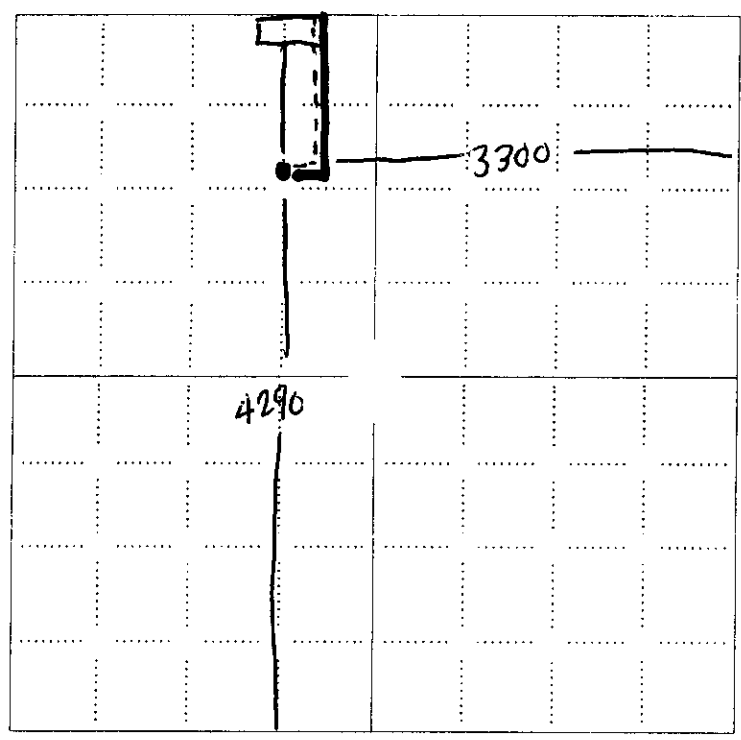
Location of Well: County: Rooks
 4,290 feet from N / S Line of Section
 3,300 feet from E / W Line of Section
 Sec. 4 Twp. 9 S. R. 19 E W

Is Section: Regular or Irregular

If Section is irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

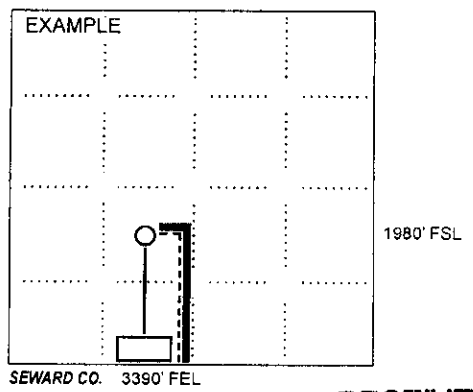
PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



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: (C0-7 for oil wells; CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # 33937
Name: Meridian Energy Inc.
Address 1: 1475 Ward Cr.
Address 2: _____
City: Franktown State: CO Zip: 80116 + _____
Contact Person: Neal LaFon, President
Phone: (303) 688-4022 Fax: (303) 663-9360
Email Address: _____

Well Location:
S/2 NE NW Sec. 4 Twp. 9 S. R. 19 East West
County: Rooks
Lease Name: Cerrow Well #: 8-4

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Joshua Holmes
Address 1: PO Box 132
Address 2: _____
City: Stockton State: CO Zip: 67669 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

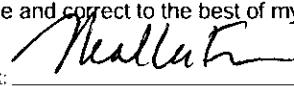
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 10/15/2010 Signature of Operator or Agent:  Title: President

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STATE OF KANSAS
STATE CORPORATION COMMISSION
200 Colorado Derby Building
Wichita, Kansas 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

API NUMBER 15-163-23,228-00-00

LEASE NAME Cerrow "A"

WELL NUMBER 8-4

4290 Ft. from S Section Line

3300 Ft. from E Section Line

SEC. 4 TWP. 9 SRGE. 19 (E/W)

COUNTY ROOKS

Date Well Completed 9-7-93

Plugging Commenced 10-16-96

Plugging Completed 10-16-96

TYPE OR PRINT
NOTICE: Fill out completely
and return to Cons. Div.
office within 30 days.

LEASE OPERATOR AFG Energy Inc.

ADDRESS P.O. Box 458 Hays, Ks. 67601-0458

PHONE (913) 625-6374 OPERATORS LICENSE NO. 03456

Character of Well Oil

(Oil, Gas, D&A, SWD, Input, Water Supply Well)

The plugging proposal was approved on 10-14-96 (date)

by Marion Schmidt (KCC District Agent's Name).

Is ACO-1 filed? Yes if not, is well log attached? _____

Producing Formation Arbuckle - L-KC Depth to Top 3128' Bottom 3444' T.D. 3448'

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put in	Pulled out
Arbuckle	Oil & Water	3441'	3444'	8 5/8"	320	None
L-KC	Oil & Water	3128'	3242'	5 1/2"	3470	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plug were used, state the character of same and depth placed, from _____ feet to _____ feet each set
Hooked to 8 5/8" - Pressured up to 500#. Hooked to 5 1/2" & mixed 15 sxs. 60/40 Poz., 8% gel.
Followed with 500# Hulls in 235 sxs. 60/40 Poz., 8% gel. Pressured to 1000#. SIP - 400#.
Total sxs. 250.

Name of Plugging Contractor Allied Cementing License No. _____

Address Russell, Ks.

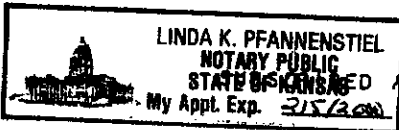
NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: AFG Energy Inc.

STATE OF Kansas COUNTY OF Ellis, ss.

Terry W. Piesker (Employee of Operator) or (Operator) of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained and the log of the above-described well as filed the the same are true and correct, so help me God.

(Signature) Terry W. Piesker

(Address) P.O. Box 458 Hays, Ks. 67601-0458



AND SWORN TO before me this 29th day of October, 19 96

Linda K. Pfannenstiel
Notary Public

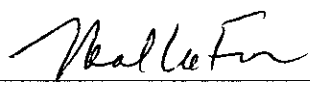
My Commission Expires: 2/5/2000

USE ONLY ONE SIDE OF EACH FORM

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

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: Meridian Energy Inc.		License Number: 33937
Operator Address: 1475 Ward Cr.		Franktown CO 80116
Contact Person: Neal LaFon, President		Phone Number: 303-688-4022
Lease Name & Well No.: Cerrow 8-4		Pit Location (QQQQ): S/2 - NE - NW -
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" 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: _____ (bbbls)	Sec. 4 Twp. 9 R. 19 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 4,290 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 3,300 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Rocks _____ 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <u>8</u> Length (feet) <u>15</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. 3 mil plastic, anchored around edges		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. temporary pit, visual monitoring
Distance to nearest water well within one-mile of pit: <u>2880</u> feet Depth of water well <u>45</u> feet		Depth to shallowest fresh water <u>19</u> feet. Source of information: <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: _____ Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>evaporate or dispose of water, remove liner and 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>10/14/10</u> Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>10-18-10</u> Permit Number: _____		<input checked="" type="checkbox"/> Liner <input type="checkbox"/> Steel Pit <input checked="" type="checkbox"/> RFAC <input type="checkbox"/> RFAS
Permit Date: <u>10-21-10</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-163-23228-00-01

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October 21, 2010

Meridian Energy, Inc.
1475 Ward Cr
Franktown, CO 80116

RE: Drilling Pit Application
Cerrow Lease Well No. 8-4
NW/4 Sec. 04-09S-19W
Rooks County, Kansas

Dear Sir or Madam:

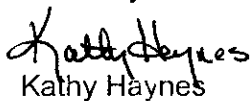
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling 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 (785) 625-0550 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.

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,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: district