

~~X~~ API 11-19-2010
CORRECTED

RECEIVED
KANSAS CORPORATION COMMISSION *OWWO*

For KCC Use:
Effective Date: 6-4-06
District #: _____
SGA? Yes No

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

MAY 25 2006

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL CONSERVATION DIVISION
Must be approved by KCC five (5) days prior to commencing well **WICHITA, KS**

Expected Spud Date June 10, 2006
month day year

OPERATOR: License# 8507
Name: PAXCO, INC.
Address: 8920 Peppertree Circle
City/State/Zip: Wichita, Kansas 67226
Contact Person: Jay Clarke
Phone: 316/634-1714

CONTRACTOR: License# 5929
Name: DUKE DRILLING CO., INC.

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input checked="" type="checkbox"/> O/W/O	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes _____	<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

If OWWO: old well information as follows:
Operator: J & W Oil Company
Well Name: Herman-Blue Sky #1
Original Completion Date: 6/27/78 Original Total Depth: 3584'

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

Spot
SW - NW - NE Sec. 12 Twp. 16 S. R. 18
2340 990 feet from N / S Line of Section
330 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

Lease Name: HERMAN-BLUESKY Well #: 1

Field Name: _____
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle
Nearest Lease or unit boundary: 330'

Ground Surface Elevation: _____ 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: 180'

Depth to bottom of useable water: 600'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe ~~3300~~ set: 1144'

Length of Conductor Pipe required: N/A

Projected Total Depth: 3650'

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 useable 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: May 25, 2006 Signature of Operator or Agent: Sally R. Byers Title: Agent

For KCC Use ONLY
API # 15-165-20691-00-02
Conductor pipe required None feet
Minimum surface pipe required 1144 feet per Alt. 1
Approved by: RHS-3000/Rm 11-19-2010
This authorization expires: 11-30-06
(This authorization void if drilling not started within 6 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;
- 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
Signature of Operator or Agent: _____
Date: _____

12
16
18W

11-19-2010 Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

X WAS: API # 15-165-20691-00-01
IS: API # 15-165-20691-00-02

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

API#
CORRECTED

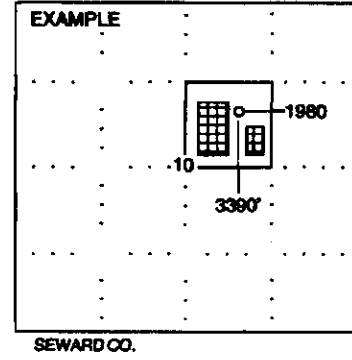
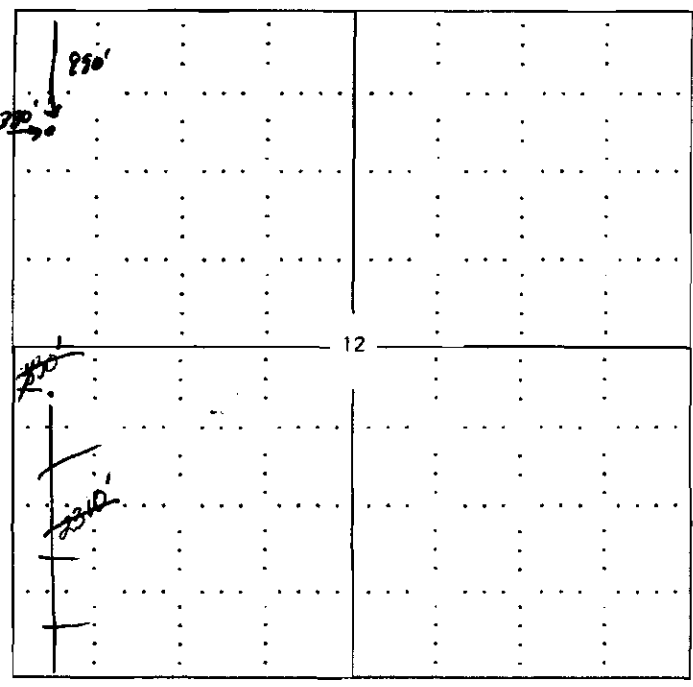
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 165-20691-00-02
 Operator: _____
 Lease: _____
 Well Number: _____
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____

Location of Well: County: _____
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. _____ Twp. _____ S. R. _____ East West
 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 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.

RUSH COUNTY

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.
3. The distance to the nearest lease or unit boundary line.
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).

CORRECTED

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KANSAS CORPORATION COMMISSION

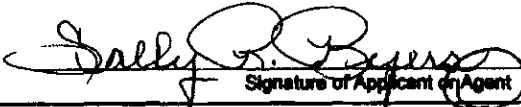
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

MAY 25 2006

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

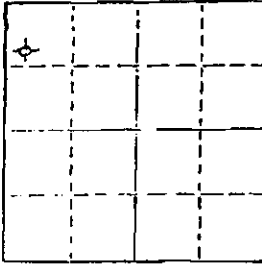
Operator Name: PAXCO, INC.		License Number: 8507	
Operator Address: 8920 Peppertree Circle, Wichita, Kansas 67226			
Contact Person: Jay Clarke		Phone Number: (316) 634 - 1714	
Lease Name & Well No.: HERMAN BLUESKY #1		Pit Location (QQQQ): SW - NW - NW - Sec. 12 Twp. 16S R. 18 East <input type="checkbox"/> West <input checked="" type="checkbox"/> 2310 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 330 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Rush 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 <i>(If WOP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: 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 <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): 100 Length (feet) 100 Width (feet) 4 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 _____ feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ 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: Fresh Number of working pits to be utilized: 3 Abandonment procedure: evaporate then backfill 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.			
May 25, 2006 Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: _____		Permit Number: _____	
Permit Date: _____		Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	

15-165-200691-00-02

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

WELL PLUGGING RECORD

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to
Conservation Division
State Corporation Comm.
245 North Water
Wichita, KS 67202



Rush County, Sec. 12 Twp. 16 Rge. 18w E/W
Location as "NE/CNW/SW" or footage from lines
SW-NW-NW
Lease Owner J & W Oil Company
Lease Name Hermann Blue Sky Well No. 1
Office Address Box 788 Hays, Ks. 67601
Character of Well (Completed as Oil, Gas or Dry Hole) Dry hole
Date Well completed June 27 1978
Application for plugging filed June 27 1978
Application for plugging approved June 27 1978
Plugging commenced June 27 1978
Plugging completed June 27 1978
Reason for abandonment of well or producing formation Dry hole

If a producing well is abandoned, date of last production 19

Was permission obtained from the Conservation Division or its agents before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well Leo Massey
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 3584
Show depth and thickness of all water, oil and gas formations.

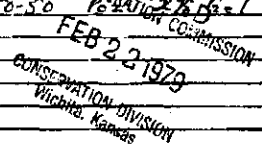
OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
Surface		0	1144'	8 1/2"	1144'	0

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 hold. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

1st plug at 450' with 40 sacks 50-50 lbs. 2 1/2 Gal.
2nd plug at 40' with 10 sacks 50-50 lbs. 2 1/2 Gal.



(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor Sun Oilwell Cementing, Inc.

STATE OF Kansas COUNTY OF Graham, ss.
Terry M. Heberg (employee of owner) or (owner or operator)

of the 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 and that the same are true and correct. So help me God.

(Signature) Terry M. Heberg
Siberland, Ks. 67600
(Address)

SUBSCRIBED AND SWORN TO before me this 15 day of February, 1979

Wayne E. Morrison
Notary Public.

My commission expires 

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

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

15-165-20091-0001 69K
 API NUMBER 165-20,659
 LEASE NAME HERRMAN
 WELL NUMBER 1

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

4290 Ft. from S Section Line
4950 Ft. from E Section Line
 SEC. 12 TWP. 16 RGE. 18 (E) or (W)

LEASE OPERATOR Edward P Leiker
 ADDRESS H-C-32-Box 132 HAYS KANS 67601
 PHONE (913) 625-5310 OPERATORS LICENSE NO. 6216
 Character of Well SWD

Date Well Completed Don't Know
 Plugging Commenced 1-27-88
 Plugging Completed 1-27-88

(Oil, Gas, D&A SWD Input, Water Supply Well)
 Did you notify the KCC District Office prior to plugging this well? yes
 Which KCC Office did you notify? Dodge City
 Is ACO-1 filed? yes If not, is well log attached? No - Filed with SWD
 Producing Formation None Depth to Top 150 Bottom 775 T.D. 1150

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
<u>SURFACE</u>	<u>WATER</u>	<u>0</u>	<u>1150</u>	<u>8 5/8</u>	<u>1150</u>	<u>NONE</u>

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 plugs were used, state the character of same and depth placed, from 0 feet to 1150 feet each set.
Pumped down 8 5/8 CASING MIXED 90 SCS CEMENT WITH 5 SCS HELLS IN 1st PART OF CEMENT MAX PRESS WAS 1000# + SHUT IN AT 400#

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor Edward P Leiker License No. 6216
 Address H-C-32-Box 132 HAYS KANS 67601
 STATE OF KANSAS COUNTY OF Rush, ss.

Edward P Leiker (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 that the same are true and correct, so help me God.

(Signature) Edward Leiker
 (Address) H-C-32-Box 132 HAYS KA 67601

SUBSCRIBED AND SWORN TO before me this 1st day of February, 1988

Rogena C. Basgall Notary Public
 My Commission Expires _____

RECEIVED
 STATE CORPORATION COMMISSION

CONSERVATION DIVISION
 Wichita, Kansas

