

For KCC Use: 19-2011
Effective Date: 2
District #: 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OWWO

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: Jan. 26 2011
month day year

OPERATOR: License# 31528 ✓
Name: Mike Kelso Oil Inc.
Address 1: 1125 S Main
Address 2: Box 467
City: Chase State: KS Zip: 67524 +
Contact Person: Mike Kelso
Phone: 620-938-2943 Cell 620-562-8088
CONTRACTOR: License# 5822 ✓
Name: Vat Energy Inc.

Spot Description: C-N2-S2-SW
C S2 N2 SW Sec. 5 Twp. 20 S. R. 9 E W
(a/a/a/a) 1,650 feet from N S Line of Section
1,320 feet from E W Line of Section

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

Lease Name: Coffman Well #: 2
Field Name: Chase Silica ✓
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arb. ✓
Nearest Lease or unit boundary line (in footage): 2640 ✓
Ground Surface Elevation: 1729 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: 20-150
Depth to bottom of usable water: 20-280
Surface Pipe by Alternate:
Length of Surface Pipe Planned to be set: 355 ✓
Length of Conductor Pipe (if any):
Projected Total Depth: 3900
Formation at Total Depth: Base Arb. ✓

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:

Well Drilled For: Oil Gas Seismic; # of Holes Other:
Well Class: Enh Rec Storage Disposal Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable
 If OWWO: old well information as follows:
Operator: Lee Phillips Oil Co.
Well Name: Coffman #2
Original Completion Date: Jul-15-1963 Original Total Depth: 3269

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

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: 12/27/10 Signature of Operator or Agent: Neil Gulbin Title: President

For KCC Use ONLY
API # 15 - 159-02860-00-01
Conductor pipe required None feet
Minimum surface pipe required 355 feet per ALT. I II
Approved by: PWA 1-4-2011
This authorization expires: 1-4-2012
(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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JAN 03 2011
KCC WICHITA

5
20
9
 E
 W

For KCC Use ONLY

API # 15 - 159-02860-0001

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: Mike Kelso Oil Inc.

Lease: Coffman

Well Number: 2

Field: Chase Silica

Number of Acres attributable to well: 10

QTR/QTR/QTR/QTR of acreage: C - S2 N2 - SW

Location of Well: County: Rice

1,650 feet from N / S Line of Section

1,320 feet from E / W Line of Section

Sec. 5 Twp. 20 S. R. 9 E W

Is Section: Regular or Irregular

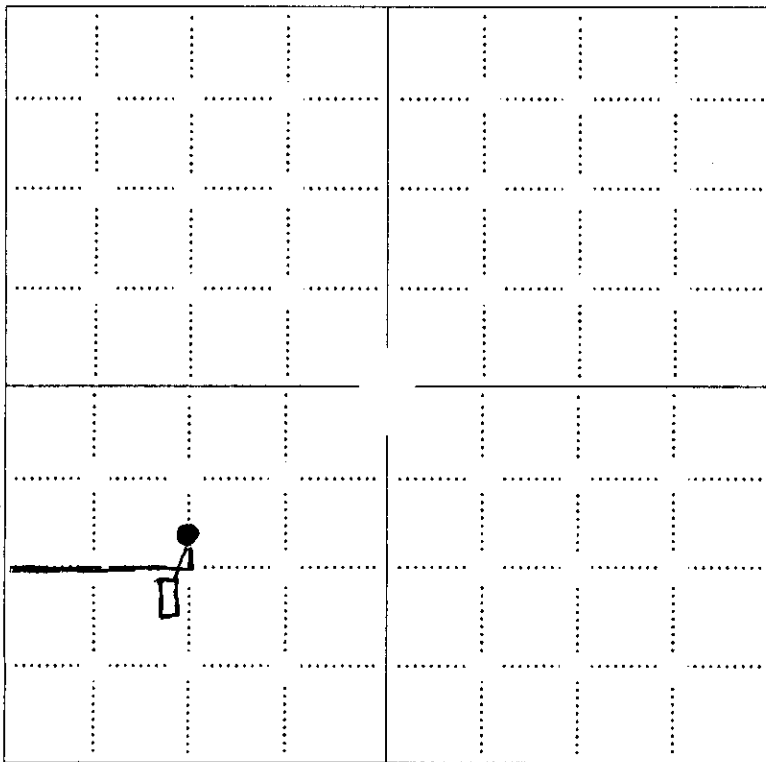
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

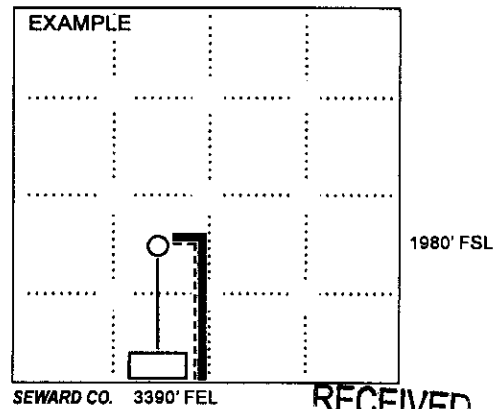
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

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.

RICE CO. 1320' FEL

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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15-859-02860-0001
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

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 # 31528
Name: Mike Kelso Oil Inc.
Address 1: 1125 S Main
Address 2: Box 467
City: Chase State: KS Zip: 67524 + _____
Contact Person: Mike Kelso
Phone: (620) 938-2943 Fax: (620) 938-2945
Email Address: _____

Well Location:
C 52 N2 SW Sec. 5 Twp. 20 S. R. 9 East West
County: Rice
Lease Name: Coffman Well #: 2

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

Surface Owner Information:

Name: Doug Keesling
Address 1: RR1 Box 70
Address 2: _____
City: Chase State: KS Zip: 67524 + _____

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: 12/23/2010 Signature of Operator or Agent: Mike Kelso Title: President

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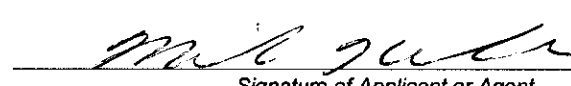
JAN 03 2011

KCC WICHITA

**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: Mike Kelso Oil Inc.		License Number: 31528
Operator Address: 1125 S Main Box 467 Chase KS 67524		
Contact Person: Mike Kelso		Phone Number: 620-938-2943 Cell 620-562-8088
Lease Name & Well No.: Coffman 2		Pit Location (QQQQ): C - ^{S2}N2 - ^{N2}S2 - SW
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: _____ (bbls)	Sec. <u>5</u> Twp. <u>20</u> R. <u>9</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>1,650</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1,320</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Rice _____ 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 type="checkbox"/> Yes <input checked="" 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>100</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>20</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>1660</u> <u>2640</u> feet Depth of water well <u>55</u> <u>80</u> feet		Depth to shallowest fresh water <u>20</u> <u>18</u> feet. 6 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: <u>Arb.</u> Number of producing wells on lease: <u>4</u> Barrels of fluid produced daily: <u>400</u> Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>Mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Push Close</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 JAN 03 2011
<u>12/27/2010</u> Date	 Signature of Applicant or Agent	KCC WICHITA

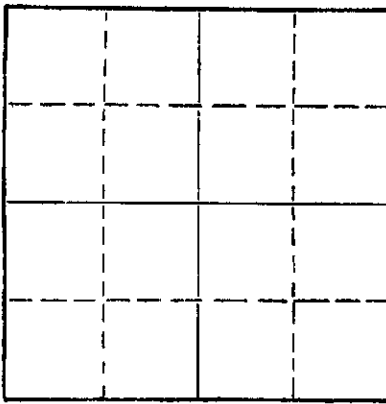
15-159-0280-000-01

KCC OFFICE USE ONLY

Date Received: 1/3/11 Permit Number: _____ Permit Date: 1/3/11 Lease Inspection: Yes No

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

NORTH



Locate well correctly on above Section Flat

Location as "NE/CNWSW" or footage from lines U 212 N12 W1 15-159-02860000

Lease Owner LEE PHILLIPS OIL COMPANY

Lease Name COFFMAN

Office Address 1532 Plaza Building Wichita, Kansas Well No. 2

Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole

Date well completed July 18 19 63

Application for plugging filed July 18 19 63

Application for plugging approved July 18 (verbally) 19 63

Plugging commenced July 18 19 63

Plugging completed July 18 19 63

Reason for abandonment of well or producing formation _____

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 _____

Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well 3269 Feet

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	355'	8 5/8"	355'	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 plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

Filled hole with heavy mud from total depth to 250' with a plug and 20 sacks of cement at this point. Heavy mud to 40' with a plug, 1/2 sack hulls, and 10 sacks of cement at this point. 2 sacks of cement in the rat hole.

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CONSERVATION DIVISION
Wichita, Kansas
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JAN 03 2011

Name of Plugging Contractor HARMS DRILLING COMPANY
Address Box 488 Great Bend, Kansas

KCC WICHITA

STATE OF KANSAS COUNTY OF BARTON, ss.
ALLAN HARMS (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) [Signature]

Box 488 Great Bend, Kansas

0 - 40	clay
40 - 180	sand
180 - 600	red bed
600 - 800	shale
800 - 1000	shale & salt
1000 - 1250	shale
1250 - 1445	shale-shells
1445 - 1638	lime-shale
1638 - 2270	shale
2270 - 2430	shale-lime
2430 - 2590	lime-shale
2590 - 2680	lime
2680 - 2740	lime-shale
2740 - 2767	lime
2767 - 2771	Heebner
2771 - 2795	Toronto
2795 - 2894	Douglas shale
2894 - 2911	Brown lime
2911 - 3231	Kansas City lime
3231 - 3269	Arbuckle
3269	Total depth

SET 355' of 8 5/8" surface casing. Cemented with 225 sacks of common cement with 2% calcium chloride.

TOPS:	HEEBNER	-	2767
	TORONTO	-	2787
	DOUGLAS	-	2796
	BROWN LIME	-	2894
	LANSING	-	2911
	ARBUCKLE	-	3231

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STATE CORPORATION COMMISSION

AUG 20 1963

CONSERVATION DIVISION
Wichita, Kansas

DRY, plugged and abandoned

A F F I D A V I T

STATE OF KANSAS)
) SS
COUNTY OF BARTON)

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JAN 03 2011
KCC WICHITA

I, Allan Harms of the Harms Drilling Company being first duly sworn on oath state:
I have knowledge of the facts, statements and matters herein contained and the same
are true and correct.

Allan Harms
Allan Harms

Subscribed and sworn to before me this 8th day of August, 1963.

Helen E. Gearhart
Helen E. Gearhart Notary Public

My commission expires January 22, 1966.

**NOTICE TO OPERATORS FILING INTENT TO DRILL
FOR DISPOSAL OR ENHANCED RECOVERY
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.