

TO:
STATE CORPORATION COMMISSION
CONSERVATION DIVISION - PLUGGIN
130 SOUTH MARKET, SUITE 2078
WICHITA, KANSAS 67202

API Well Number: 15-099-24110-00-00
Spot: SWNWNE Sec/Twnshp/Rge: 30-33S-19E
4198 feet from S Section Line, 2319 feet from E Section Line
Lease Name: MCKINZIE Well #: 1
County: LABETTE Total Vertical Depth: 620 feet

Operator License No.: 32756
Op Name: DOUBLE 7 OIL AND GAS LLC
Address: 21003 WALLACE RD
PARSONS, KS 67357

String	Size	Depth (ft)	Pulled (ft)	Comments
SURF	8.625	20		6 SX CMT.
PROD	2.5	600		120 SX CMT.

Well Type: GAS UIC Docket No: _____ Date/Time to Plug: 05/19/2011 8:00 AM
Plug Co. License No.: 9684 Plug Co. Name: SMITH, MARK A. DBA M S DRILLING COMPANY
Proposal Revd. from: MARK SMITH Company: _____ Phone: _____

Proposed Plugging Method: Run cement string to TD and circulate cement to surface

Plugging Proposal Received By: RUSSELL HINE WitnessType: COMPLETE (100%)
Date/Time Plugging Completed: 05/19/2011 2:00 PM KCC Agent: RUSSELL HINE

Actual Plugging Report:

Perfs:

Ran 1" cement string to 620' and circulated cement to surface. Pulled cement string and topped off. 20 sacks of portland used.

RECEIVED

MAY 23 2011 RHH

KCC Chanute Dist. #3

Remarks:

Plugged through: TBG

District: 03

Signed

Russell Hine

(TECHNICIAN)

RECEIVED

Form CP-2/3

JUN 03 2011

KCC WICHITA

Conservation Division
Finney State Office Building
130 S. Market, Rm. 2078
Wichita, KS 67202-3802



COPY

FILE CC

Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Mark Sievers, Chairman
Ward Loyd, Commissioner
Thomas E. Wright, Commissioner

Sam Brownback, Governor

July 11, 2011

**Bruce Schultz
Double '7' Oil and Gas, LLC
21003 Wallace Rd.
Parsons, KS 67357-8417**

**RE: Invoice No.: 2011061094, dtd. 6/09/11
Lease Name: McKINZIE 1 30-33S-21E LABETTE CTY.
API No.: 15-099-24110-0000**

Dear Mr. Schultz:

Please accept this letter as verification that we have requested our Topeka office to cancel the above-referenced invoice for the McKINZIE 1 as of this date. The document that we create our invoices from was submitted in error by our district office under Double '7' Oil and Gas, LLC as you are the current operator of record. However, as you are aware the "PRP" had already been established by John McCannon in our Legal department as Mr. Fred Van Becelaere, previously of Freddy Vans, Inc. We will pursue collection of the plugging fees for this well from Mr. Van Becelaere. You should not receive any further billing nor invoice reminders on this well.

Please accept our apologies for this error and any inconvenience it may have caused. If you need any further assistance, please feel free to contact me at (316) 337-6218.

Sincerely,

Steve Bond

Steve Bond
Supervisor, Production department

cc: Barry Metz; Becky Hastings; Ryan Hoffman; Nedra Olenick