



For KCC Use:

Effective Date: _____

District # _____

SGA? Yes No

KANSAS CORPORATION COMMISSION 1023875
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: _____
month day year

OPERATOR: License# _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: _____

CONTRACTOR: License# _____

Name: _____

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

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: _____

____ - ____ - ____ - ____ Sec. ____ Twp. ____ S. R. ____ E W
(0000)

____ feet from N / S Line of Section

____ feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): _____

Nearest Lease or unit boundary line (in footage): _____

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: _____

Depth to bottom of usable water: _____

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe (if any): _____

Projected Total Depth: _____

Formation at Total Depth: _____

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.

Submitted Electronically

For KCC Use ONLY

API # 15 - _____

Conductor pipe required _____ feet

Minimum surface pipe required _____ feet per ALT. I II

Approved by: _____

This authorization expires: _____
(This authorization void if drilling not started within 12 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 (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:



1023875

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 - _____

Operator: _____

Lease: _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR/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. _____ E W

Is Section: Regular or Irregular

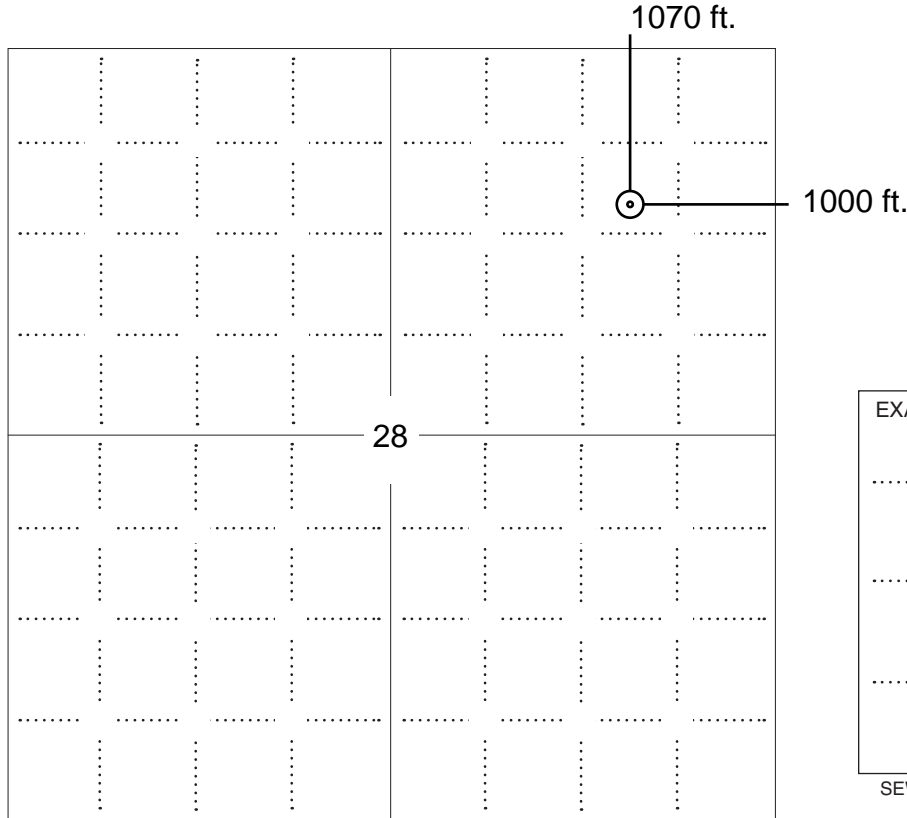
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

(Show location of the well 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 locaton.

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).



KANSAS CORPORATION COMMISSION 1023875
OIL & GAS CONSERVATION DIVISION

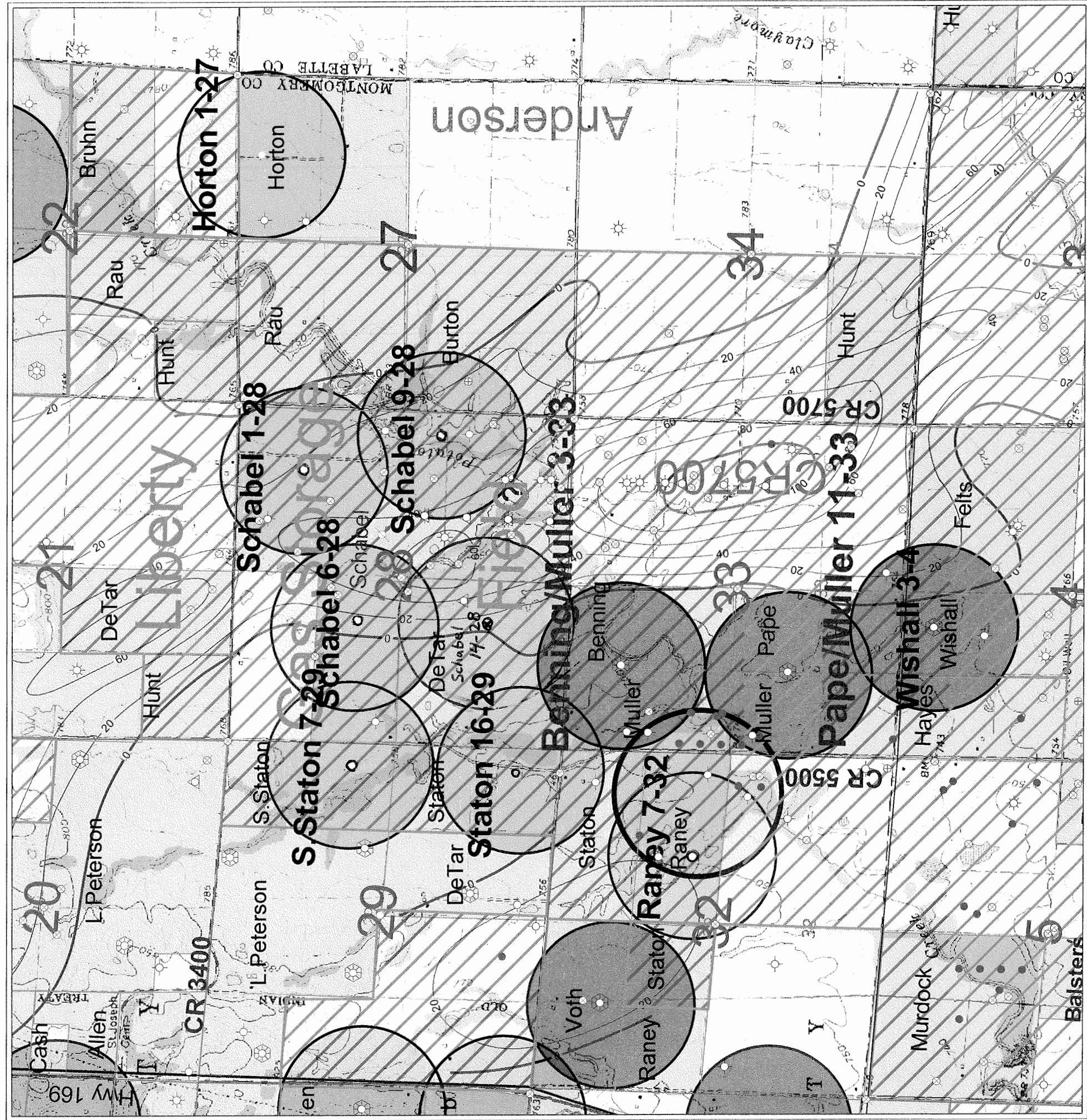
Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: _____		License Number: _____	
Operator Address: _____			
Contact Person: _____		Phone Number: _____	
Lease Name & Well No.: _____		Pit Location (QQQQ): _____ - _____ - _____ - _____	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input 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 type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input 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): _____ Length (feet) _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ (feet) _____ 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 _____ 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ _____ Drill pits must be closed within 365 days of spud date.	
Submitted Electronically			

KCC OFFICE USE ONLY		Steel Pit	RFAC	RFAS
Date Received: _____	Permit Number: _____	Permit Date: _____	Lease Inspection: <input type="checkbox"/> Yes <input type="checkbox"/> No	



CR 3400

S Staton 7-29

Schabel 6-28

Schabel 1-28

Horton 1-27

Staton 16-29

Raney 7-32

Benning/Muller 3-33

Pape/Muller 11-33

Wishall 3-4

Balsters

Anderson

COLT

ENERGY, INC.

CORPORATE OFFICE

P.O. Box 388 • 1112 Rhode Island Rd. • Iola, Ks. 66749-0388
Phone (620) 365-3111 • Fax (620) 365-3170

Sunday, November 09, 2008

Attn: Doug Shatas
Atmos Energy Corporation
25090 W. 110th Terrace
Olathe, KS, 66061

Dear Mr. Shatas,

This letter serves as a **30 day notification** to Atmos Energy as required by Kansas Corporation Commission Regulation 82-3-311 concerning the Schabel 1-28, Schabel 6-28, Schabel 9-28 and Schabel 14-28 wells to be drilled within the boundaries of the Liberty Gas Storage Field. A copy has been sent to your Independence, Kansas office.

Enclosed with this letter is a map evidencing Colt Energy's proposed and existing wellsites in and around your Liberty, Kansas Gas Storage Field. Colt Energy, Inc. is planning to drill four more wells, at this time, within the limits of leased storage land. The Schabel 1-28 well is located approximately 1070 feet from the north section line and 1000 feet from the east section line of Section 28, Township 33 South, Range 17 East, in Montgomery County, Kansas. The Schabel 6-28 well is located approximately 2000 feet from the north section line and 1950 feet from the west section line of Section 28, Township 33 South, Range 17 East. The Schabel 9-28 well is located approximately 2075 feet from the south section line and 375 feet from the east section line of Section 28, Township 33 South, Range 17 East. The Schabel 14-28 well is located approximately 1300 feet from the south section line and 1900 feet from the west section line of Section 28, Township 33 South, Range 17 East. Our primary purpose for drilling is to exploit and produce coalbed methane gas in numerous coal seams in the Cherokee Group of Pennsylvanian age.

It is our understanding that there could be buried gas storage gathering lines or transmission lines near these well locations. Colt Energy will contact Kansas One Call (1-800-DIG-SAFE) to have lines located by December 5, 2008.

Colt Energy, Inc. intends to comply fully with state regulations and requirements of Atmos Energy within the gas storage unit. In addition, we are willing to share information with Atmos only, regarding any wells drilled surrounding your storage field.

The spud date and anticipated drilling is between December 15, 2008 and December 27, 2008. Timing of drilling depends on your response to us and rig availability. Kurt Finney Drilling has been contacted and has stated he is now available. This driller has drilled in the Liberty Gas Storage with mud within the past 1 year.

In addition to attempting to contact you, Colt Energy has contacted your Independence office. We certainly can move the locations if we find pipelines too close to the proposed wellsites.

In the event of a blow-out, Colt's procedure is to close the BOP, kill the well with gelled and weighted mud and finish drilling the well to total depth 60- 100 feet into the Mississippian Limestone. An open hole log will be attempted (CDL and DIL) and the well will be cemented with a thixotropic cement using Consolidated Oil Well Services. This will be done by maintaining the mudweight required to kill the well.

Drilling intents are filed at the time of this notice.

I look forward to your reply.

Respectfully,



Jim Stegeman
Director of Geology
Colt Energy, Inc.
913-236-0016
620-365-9807 (c)
jstegeman@coltenergyinc.com

CC: Atmos Energy
Independence Field Office
1509 W. Maple St.
Independence, KS 67301-8423



November 12, 2008

Mr. Rick Hestermann
Kansas Corporation Commission
130 S Market, Room 2078
Wichita, KS 67202

RE: Horton 1-27; Schabel 1-28; Schabel 6-28; Schabel 9-28; Schabel 14-28; Staton
16-29; S. Staton 8-29; Raney 7-32;

Dear Mr. Hestermann:

Atmos Energy Corporation, operator of the North Liberty Storage Field, does not protest the drilling of the aforementioned wells if the attached conditions are strictly followed. Colt Energy has been made aware of the restrictions and has agreed to their strict adherence.

Please advise if you require any further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Shatas".

Doug Shatas
Manager Compliance

ATMOS GAS STORAGE REQUIREMENTS

- 1 Completion Requirements allow for completing 50 feet below Squirrel or 200 below base of Oswego
- 2 Copy of Intent To Drill 5 days prior to drilling w/proposed depth and zones of interest
- 3 Drill with chemical mud only exceptions outside active storage w/ permission
- 4 No well within 400 feet of gas storage well
- 5 Free access to wellsite
- 6 BOP
- 7 Supply daily drilling and progress reports
- 8 Run open hole CDL and DIL logs
- 9 10 foot drill cutting samples from 200 feet to TD
- 10 Atmos may request at their expense a core of the squirrel section
- 11 4 1/2 inch casing requirement
- 12 Centralizers to straddle the storage sandstone
- 13 Bond Log
- 14 Copy of complete file to Atmos
- 15 3 day prior notification of plans to drill and 5 days for plugging plus copy of plugging affidavit
- 16 Option to take possession of well to Atmos at salvage value
- 17 Do not complete any wells in the gas storage reservoir, the squirrel sandstone
- 18 If a zone is completed, prior to sales provide copy of gas analysis, SIP, flow test, & perfs
- 19 Shut-in or squeeze or plug any well in communication with the storage sandstone
- 20 To furnish upon request: drilling samples, cores, and reports, copies of drillstem or prod tests reports
- 21 GRN logs to total depth and furnish two field and two final copies to Atmos
- 22 \$250 dollars per well damages prior to drilling operations