For KCC Use: Effective Date: District #_ SGA? X Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION NOTICE OF INTERIOR

NOTICE OF INTENT TO DRILL

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

| | e (5) days prior to commencing w ell |
|--|---|
| Expected Spud Date Feburary 10, 2005 | Spot East |
| / \ | E/2 NE Sec. 12 Twp. 22 S. R. 12 West |
| OPERATOR: License# 32,432 (2.28.05) | 1610 feet from V N / S Line of Section |
| Name: La Veta Oil & Gas, LLC | reet from VE / W Line of Section |
| Address: P.O. Box 780 | Is SECTION Regular Irregular? |
| City/State/Zip: Middleburg, VA 20118 | (Note: Locate well on the Section Plat on reverse side) |
| Contact Person: Benny C. Griffin | County: Stafford |
| Phone: 620-458-9222 | Lease Name: Hammeke Well #: 1 |
| CONTRACTOR: License# 5822 (6.30.05) | Field Name: Markille MAX |
| CONTRACTOR: License# 5046 (6-30-05) Name: Val Energy | Is this a Prorated / Spaced Field? |
| Name: Var Lifergy | Target Formation(s): Arbuckle |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary: 1400' East |
| Oil Enh Rec Infield Mud Rotary | Ground Surface Elevation: 1795 feet MSL |
| Gas Storage Pool Ext. Air Rotary | Water well within one-quarter mile: |
| OWWO Disposal Wildcat Cable | Public water supply well within one mile: Yes No |
| Seismic; # of Holes Other | Deptil to bottom or fresh water, |
| Other | Depth to bottom of usable water: 52 |
| 01101 | Surface Pipe by Alternate: X 1 2 |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: 325' |
| Operator: | Length of Conductor Pipe required: NONERECEIVED |
| Well Name: | Projected Total Depth: 3450 |
| Original Completion Date:Original Total Depth: | Formation at Total Depth: Arbuckle JAN 2 6 2005 |
| Directional, Deviated or Horizontal wellbore? | Water Source for Drilling Operations: |
| | Tamily one |
| If Yes, true vertical depth: | DWR Permit #: |
| Bottom Hole Location: | (Note: Apply for Permit with DWR 💢) |
| KCC DKT #: | Will Cores be taken? |
| | If Yes, proposed zone: |
| AF | FIDAVIT |
| 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: | * PROJECTED TO WAS = 3150 |
| Notify the appropriate district office <i>prior</i> to spudding of well; | IS: 3650 |
| 2. A copy of the approved notice of intent to drill shall be posted on a | 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 appropriate district office will be notified before well is either p | e district office on plug length and placement is necessary prior to plugging; |
| | ented from below any usable water to surface within 120 days of spud date. |
| Or pursuant to Appendix "B" - Eastern Kansas surface casing ord | er #133,891-C, which applies to the KCC District 3 area, alternate if cementing |
| • | all 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 | t of my knowledge and belief. |
| 4105105 | Mus Phenson Title: Agent |
| Date: 1/25/05 Signature of Operator or Agent: | Title: Agent |
| | — Remember to: |
| For KCC Use ONLY | - File Drill Pit Application (form CDP-1) with Intent to Drill; |
| API # 15 - 785 - 23297-00-00 | - File Completion Form ACO-1 within 120 days of spud date; |
| Male | - File acreage attribution plat according to field proration orders; |
| 200 | Notify appropriate district office 48 hours prior to workover or re-entry; |
| Minimum surface pipe required feet per Alt 1 | - Submit plugging report (CP-4) after plugging is completed; Obtain written approval before disposing or inlecting salt water. |
| Approved by: (361-310-5 | - Obtain written approval before disposing or injecting salt water. |
| This authorization expires: 7.28.05 | - If this permit has expired (See: authorized expiration date) please |
| (This authorization void if drilling not started within 6 months of effective date.) | |
| | Well Not Drilled - Permit Expired |
| Spud date: Agent: | Signature of Operator or Agent: |
| | 5 |
| Mall to: KCC - Conservation Division, 13 | 30 S. Market - Room 2078, Wichita, Kansas 67202 |