

For KCC Use: 7.3.05
 Effective Date: 7.3.05
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 December 2002
 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 July 7, 2005
 month day year

Spot NE/4 - SE/4 - SE/4 Sec. 23 Twp. 32 S. R. 10 East West
990 feet from N / S Line of Section
330 feet from E / W Line of Section

OPERATOR: License# 6044
 Name: Stelbar Oil Corporation, Inc.
 Address: 155 North Market, Suite #500
 City/State/Zip: Wichita, Kansas 67202
 Contact Person: Roscoe L. Mendenhall
 Phone: 316 / 264-8378

Is SECTION Regular Irregular?

CONTRACTOR: License# 32701
 Name: C&G Drilling, Inc.

(Note: Locate well on the Section Plat on reverse side)
 County: Chautauqua
 Lease Name: Arrington Well #: 1
 Field Name: Landon - Floyd

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" 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 type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

Nearest Lease or unit boundary: 330 Ft.

Ground Surface Elevation: 1100 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: 110 Ft.

Depth to bottom of usable water: 480 Ft.

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 120 Ft.

Length of Conductor Pipe required: None

Projected Total Depth: 2100 Ft.

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #: To be applied for.

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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 #: _____

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 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: 06/27/05 Signature of Operator or Agent: Roscoe L. Mendenhall Title: Roscoe L. Mendenhall, Pet. Engineer

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 JUN 28 2005

CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 019-26687-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 40 feet per Alt. 2
 Approved RJPG-28.05
 This authorization expires: 12-28-05
 (This authorization void if drilling not started within 6 months of effective 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.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: _____

Date: _____

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

23
32
10F

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: Stelbar Oil Corporation, Inc.
 Lease: Arrington
 Well Number: 1
 Field: Landon - Floyd

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NE/4 - SE/4 - SE/4

Location of Well: County: Chautauqua

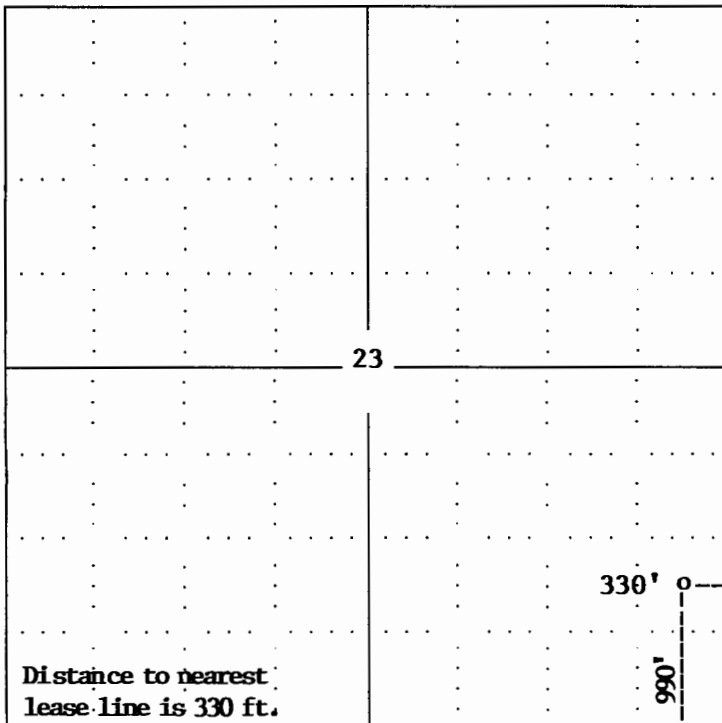
 990 _____ feet from N / S Line of Section
 330 _____ feet from E / W Line of Section
 Sec. 23 Twp. 32 S. R. 10 East West

Is Section: Regular or Irregular

If Section Is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

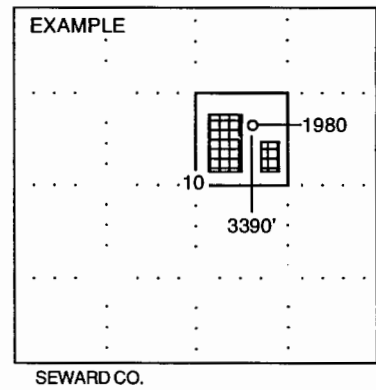
PLAT

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)*



Section 24-T325-R10E
Chautauqua County, Kansas

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 CONSERVATION DIVISION
 WICHITA, KS



NOTE: In all cases locate the spot of the proposed drilling location.

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: (C0-7 for oil wells; CG-8 for gas wells).