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AUG 25 2005

KCC WICHITA

For KCC Use: Effective Date: 8-31-05 District # 4 SGA?  Yes  No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing work

Form C-1 December 2002 Form must be Typed Form must be Signed Blank must be Filled

Expected Spud Date September 10st 2005 month day year

OPERATOR: License# 32778 Name: CAT Energy, LLC (K-BAR OIL) Address: PO Box 507 Galva, KS 67443 Contact Person: Duane Purser Phone: 316/ 734-8911

CONTRACTOR: License# 33436 Name: Forrest Energy, LLC

Well Drilled For: Oil, Gas, OWWO, Seismic, Other Well Class: Infield, Pool Ext, Wildcat, Other Type Equipment: Mud Rotary, Air Rotary, Cable

If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Spot Se Se Nw Sec. 10 Twp. 20 S. R. 11 2310' 2870' Is SECTION Regular Irregular?

County: Barton Lease Name: Panning Field Name: Chase-Silica Is this a Prorated / Spaced Field? Target Formation(s): Arbuckle Nearest Lease or unit boundary: 330' Ground Surface Elevation: 1761 Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 180' Depth to bottom of usable water: 220' 230' Surface Pipe by Alternate: 1 Length of Surface Pipe Planned to be set: 300'+ Length of Conductor Pipe required: N/A Projected Total Depth: 3450' Formation at Total Depth: Arbuckle Water Source for Drilling Operations: DWR Permit #: Will Cores be taken?

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: August 24, 2005 Signature of Operator or Agent: Title: Well-Site Geo.

For KCC Use ONLY API # 15 - 009-24866-00-00 Conductor pipe required NONE feet Minimum surface pipe required 250' feet per Alt. 1 X Approved by: DPW 8-26-05 This authorization expires: 2-26-06 (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. - 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 Signature of Operator or Agent: Date:

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

10 20 11/03

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 - 009-248660000
Operator: CAT Energy, LLC / K-BAR OIL
Lease: Panning
Well Number: 3-HK
Field: Chase-Silica

Location of Well: County: Barton
2310' feet from N / S Line of Section
2870' feet from E / W Line of Section
Sec. 10 Twp. 20 S. R. 11 East West

Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: Se - Se - Nw

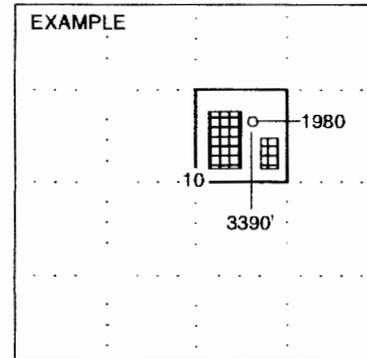
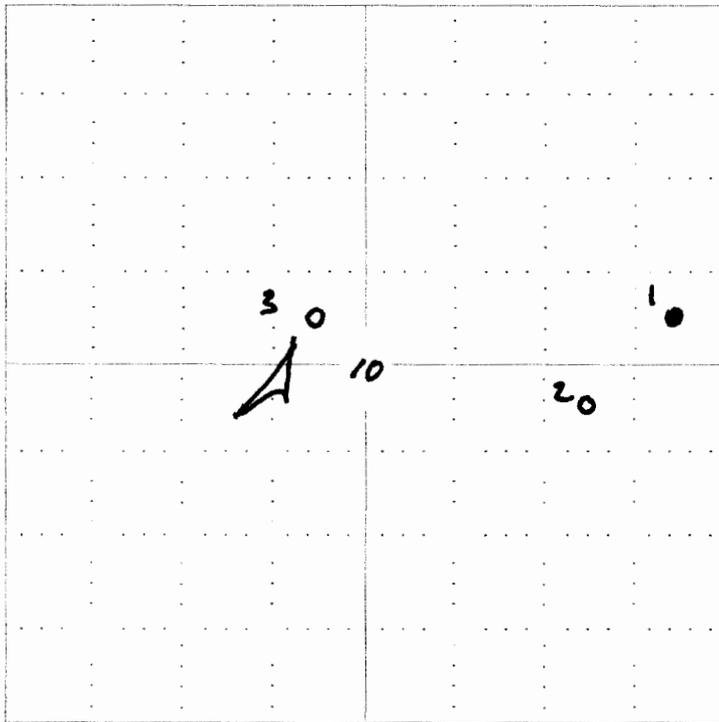
Is Section: Regular or Irregular

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.)



SEWARD CO.

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

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, COMMISSIONER

August 26, 2005

Mr. Duane Purser  
CAT Energy LLC/K-Bar Oil  
PO Box 507  
Galva, KS 67443

RE: Drilling Pit Application  
Panning Lease Well No. 3-HK  
NW/4 Sec. 10-20S-11W  
Barton County, Kansas

Dear Mr. Purser:

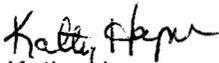
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and if sand is encountered during the making of this pit please line with clay or a plastic liner. Contact the District Office at (785) 625-0550 if there are any questions. The free fluids are to be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: [www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.** If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathy Haynes

Environmental Protection and Remediation Department

cc: H Deines

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802  
Voice 316.337.6200 Fax 316.337.6211 [www.kcc.state.ks.us](http://www.kcc.state.ks.us)