

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

MAR 30 2006

Form C-1
December 2002

For KCC Use:
Effective Date: 4-9-06
District # 4
SGA? Yes No

NOTICE OF INTENT TO DRILL CONSERVATION DIVISION
WICHITA, KS
Must be approved by KCC five (5) days prior to commencing work

Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date April 3 2006
month day year

Spot SW 2040 NW 220 Sec. 26 Twp. 20 S. R. 13
feet from N / S Line of Section
feet from E / W Line of Section

OPERATOR: License# 4058
Name: American Warrior, Inc.
Address: P.O. Box 399
City/State/Zip: Garden City, Kansas 67846-0399
Contact Person: Cecil O'Brate
Phone: 620-275-9231

Is SECTION Regular Irregular?

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

CONTRACTOR: License# 33323
Name: Petromark Drilling, LLC

County: Barton
Lease Name: Engleman Well #: 1-26

Field Name: _____
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle
Nearest Lease or unit boundary: 1320 feet

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
 Enh Rec Storage Disposal
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

Ground Surface Elevation: 1897 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: 200 feet

Depth to bottom of usable water: 275'

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 750 feet

Length of Conductor Pipe required: N/A
Projected Total Depth: 3700 feet

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: Well Farm Pond Other

DWR Permit #: to be applied by Contractor no later than 3/31/06

(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No

If Yes, proposed zone: _____

* UNIT Configuration ATTACHED!

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: March 30, 2006 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY
API # 15 - 009-24925-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 300' feet per Alt. 1
Approved by: DPW 4-4-06
This authorization expires: 10-4-06
(This authorization void if drilling not started within 6 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;
- 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

24 20 13w.

MAR 30 2006

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

CONSERVATION DIVISION
WICHITA, KS

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: American Warrior, Inc.
Lease: Engleman
Well Number: 1-26
Field: _____

Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: SW - SW - NW

Location of Well: County: Barton
2040 feet from N / S Line of Section
220 feet from E / W Line of Section
Sec. 26 Twp. 20 S. R. 13 East West

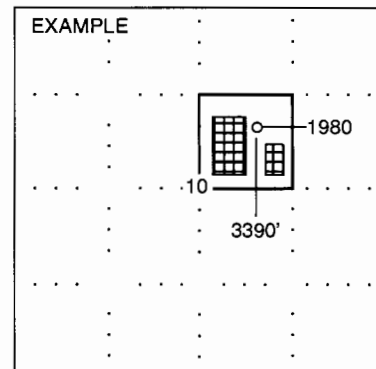
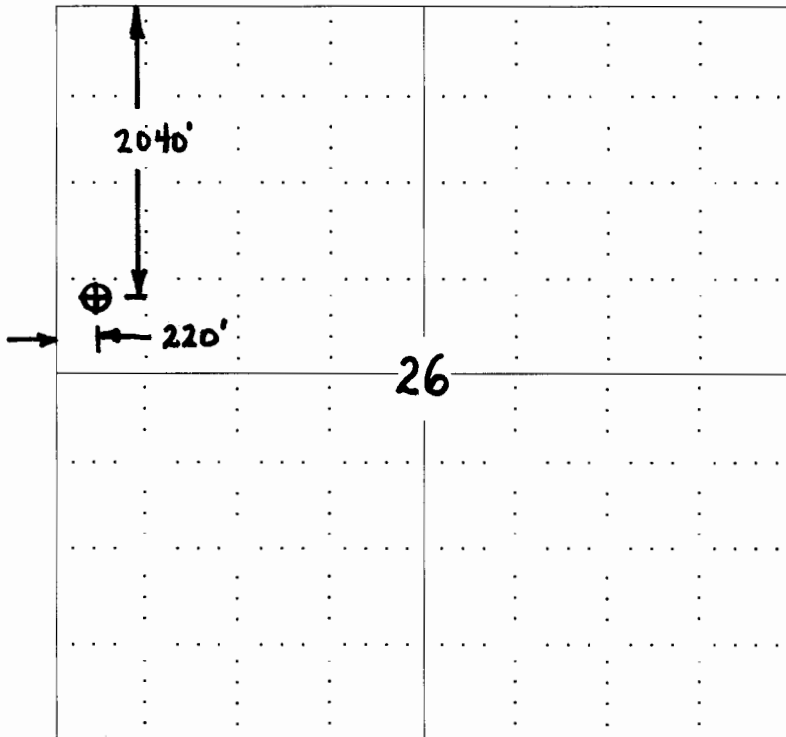
Is Section: Regular or Irregular

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.)*



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).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT CONSERVATION DIVISION
WICHITA, KS

Form CDP-1
April 2004
Form must be Typed

MAR 30 2006

Submit in Duplicate

Operator Name: American Warrior, Inc.		License Number: 4058
Operator Address: P.O. Box 399		
Contact Person: Cecil O'Brate		Phone Number: (620) 275 - 9231
Lease Name & Well No.: Engleman #1-26		Pit Location (QQQQ): _____ <u>SW</u> _____ <u>SW</u> _____ <u>NE</u> Sec. <u>26</u> Twp. <u>20</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2040</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>220</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Barton</u> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <u>5200</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? n/a
Pit dimensions (all but working pits): <u>70</u> Length (feet) <u>70</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. n/a		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. n/a
Distance to nearest water well within one-mile of pit <u>1200</u> feet Depth of water well <u>120</u> feet		Depth to shallowest fresh water <u>80</u> feet. Source of information: _____ measured <input checked="" type="checkbox"/> 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: <u>bentonite gel</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>jet fluids out of working pits into reserve pit. Let dry and backfill with dozer.</u> Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<u>3/30/06</u> Date		 Signature of Applicant or Agent

15009249250000

KCC OFFICE USE ONLY		R FAS4C Call DIST enter send.
Date Received: <u>3/31/06</u>	Permit Number: _____	Permit Date: <u>3/31/06</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

KANSAS

CORPORATION COMMISSION

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

March 31, 2006

Mr. Cecil O'Brate
American Warrior, Inc.
PO Box 399
Garden City, KS 67846-0399

RE: Drilling Pit Application
Engleman Lease Well No. 1-26
NW/4 Sec. 26-20S-13W
Barton County, Kansas

Dear Mr. O'Brate:

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 construction of the reserve pit or working pits, please call the District Office at (785) 625-0550**. The fluids must 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. **Please keep all pits away from any draws.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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.

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