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APR 07 2006

Form C-1  
December 2002

For KCC Use: 4-15-06  
Effective Date: \_\_\_\_\_  
District # 2  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

**KCC WICHITA**  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

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

Expected Spud Date 05 06 06  
month day year

OPERATOR: License# 5920 ✓  
Name: TE-PE OIL & GAS  
Address: P.O. BOX 522  
City/State/Zip: CANTON, KANSAS 67428  
Contact Person: TERRY P. BANDY  
Phone: 620-628-4428

CONTRACTOR: License# 32701 ✓  
Name: C & G DRILLING

Well Drilled For:  Oil  Gas  OWWO  Seismic; # of Holes \_\_\_\_\_  
 Enh Rec  Storage  Disposal  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?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Spot  East  West  
C S/2 SE/4 Sec. 34 Twp. 08 S. R. 04  
4620 feet from  N /  S Line of Section  
1320 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

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

County: CLAY  
Lease Name: LORETTA Well #: 2  
Field Name: GRIFFITHS EXT

Is this a Prorated / Spaced Field?  Yes  No ✓  
Target Formation(s): MISSISSIPPIAN  
Nearest Lease or unit boundary: 660 feet

Ground Surface Elevation: 1305 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: 150  
Depth to bottom of usable water: 180

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 200' + ✓

Length of Conductor Pipe required: 0  
Projected Total Depth: 2000'  
Formation at Total Depth: MISSISSIPPIAN

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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 4/6/06 Signature of Operator or Agent: Terry P. Bandy Title: OPERATOR

**For KCC Use ONLY**  
API # 15 - 027-20037-00-00  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per Alt. 1 X  
Approved by: Post 4-10-06  
This authorization expires: 10-10-06  
(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

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**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 - D27-20037-00-00  
Operator: TE-PE OIL & GAS  
Lease: LORETTA  
Well Number: 2  
Field: GRIFFITHS EXT  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: C - S/2 - SE/4

Location of Well: County: CLAY  
4620 feet from  N /  S Line of Section  
1320 feet from  E /  W Line of Section  
Sec. 34 Twp. 08 S. R. 04  East  West

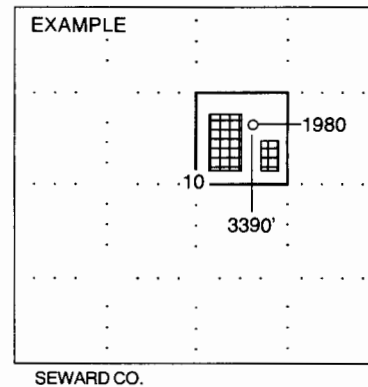
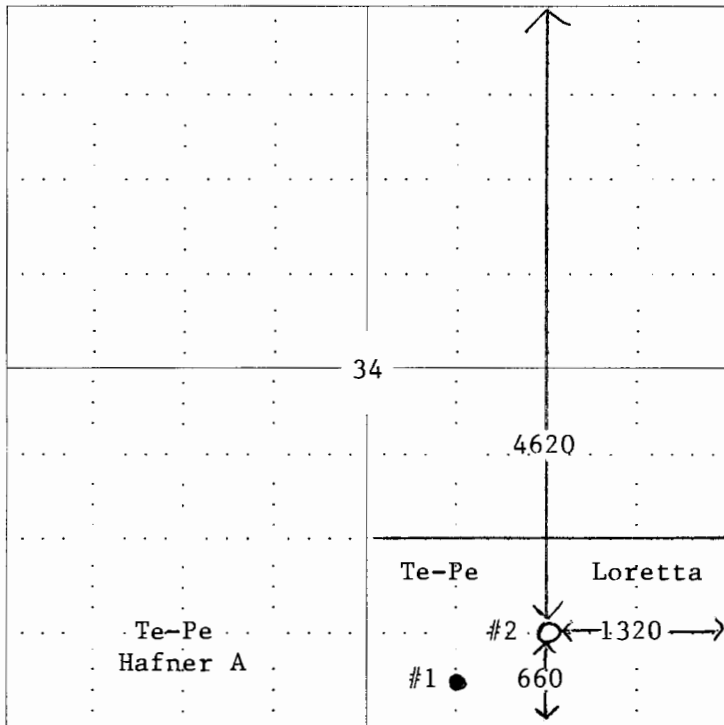
Is Section:  Regular or  Irregular

**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 locaton.**

Te-Pe Braun

**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).

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

Form CDP-1 April 2004 Form must be Typed

Submit in Duplicate

Operator Name: TE-PE OIL & GAS License Number: 5920
Operator Address: P.O. BOX 522, CANTON, KANSAS 67428
Contact Person: TERRY P. BANDY Phone Number: ( 620 ) 628 - 4428
Lease Name & Well No.: LORETTA #2 Pit Location (QQQQ): C S/2 SE/4
Type of Pit: [ ] Emergency Pit [ ] Burn Pit [ ] Settling Pit [x] Drilling Pit [ ] Workover Pit [ ] Haul-Off Pit
Pit is: [x] Proposed [ ] Existing Pit capacity: 300 (bbls)
Is the pit located in a Sensitive Ground Water Area? [ ] Yes [x] No Chloride concentration: mg/l
Is the bottom below ground level? [x] Yes [ ] No Artificial Liner? [ ] Yes [x] No How is the pit lined if a plastic liner is not used? BENTONITE GEL SEALED
Pit dimensions (all but working pits): 30 Length (feet) 30 Width (feet) N/A: Steel Pits
Depth from ground level to deepest point: 2-3/4 (feet)
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: NONE 4403 feet Depth of water well: 100 feet
Depth to shallowest fresh water: 70 50 feet Source of information: KKKCS
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? [ ] Yes [ ] No
Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: FRESH WATER BENTONITE Number of working pits to be utilized: 2 Abandonment procedure: EMPTY PITS OF FLUID, BACKFILL WITH ORIGINAL CONSTRUCTION MATERIAL 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.
Date: 4/6/06 Signature of Applicant or Agent: Terry P. Bandy
KCC OFFICE USE ONLY
Date Received: 4/7/06 Permit Number: Permit Date: 4/2/06 Lease Inspection: [ ] Yes [x] No

15-027-20037-00-02

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