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APR 06 2006

KCC WICHITA

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: Effective Date: 4-15-06 District # 1 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 well

Expected Spud Date MAY 1 2006 month day year

OPERATOR: License# 6039 Name: L. D. DRILLING, INC. Address: 7 SW 26 AVE City/State/Zip: GREAT BEND, KS 67530 Contact Person: L. D. DAVIS Phone: 620-793-3051

CONTRACTOR: License# UNKNOWN WILL BE ON ACO 1 Name: UNKNOWN WILL BE ON ACO 1

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other Well Class: Enh Rec Storage Disposal Other Well Type Equipment: Infield Pool Ext Wildcat Other 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 NE-NW-SW SW/4 Sec. 31 Twp. 19 S. R. 24 2310 feet from N/S Line of Section 1120 feet from E/W Line of Section Is SECTION Regular Irregular?

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

County: NESS Lease Name: SCHLEGEL TRUST Well #: 1 Field Name:

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

Nearest Lease or unit boundary: 330' Ground Surface Elevation: APX 2359' 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: 180' Depth to bottom of usable water: 800

Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 650'

Length of Conductor Pipe required: NONE Projected Total Depth: 4500'

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

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: 4/05/06 Signature of Operator or Agent: Title: SEC/TREAS

For KCC Use ONLY API # 15 - 135-24487-00-00 Conductor pipe required None feet Minimum surface pipe required 200 feet per Alt. Approved by: DTW 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

31 19 24W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

KCC WICHITA

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: L. D. DRILLING, INC. _____

Lease: SCHLEGEL TRUST _____

Well Number: 1 _____

Field: _____

Number of Acres attributable to well: 10 _____

QTR / QTR / QTR of acreage: SW/4 - - _____

Location of Well: County: NESS _____

2310 feet from N / S Line of Section

1120 feet from E / W Line of Section

Sec. 31 Twp. 19 S. R. 24 East West

Is Section: Regular or Irregular

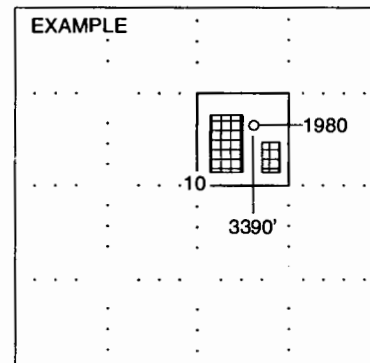
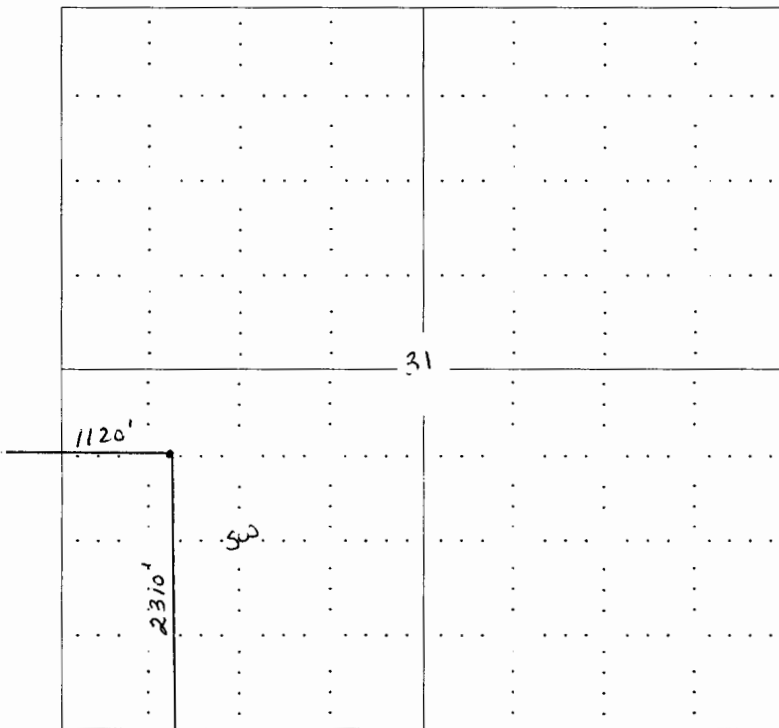
If Section is Irregular, locate well from nearest corner boundary.

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).

RECEIVED

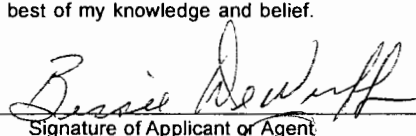
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

APR 06 2006

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT **KCC WICHITA**

Submit in Duplicate

Operator Name: L. D. DRILLING, INC.		License Number: 6039
Operator Address: 7 SW 26 AVE, GREAT BEND, KS 67530		
Contact Person: L.D. DAVIS		Phone Number: (620) 793 - 3051
Lease Name & Well No.: SCHLEGEL TRUST #1		Pit Location (QQQQ): SW/4
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: 3490 (bbls)	Sec. 31 Twp. 19 R. 24 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2310 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1120 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section NESS County
Is the pit located in a Sensitive Ground Water Area? <input 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 type="checkbox"/> No	How is the pit lined if a plastic liner is not used? BENTONITE SOLDIS FROM DRLG OPER
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>4</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. IF REQUIRED 10 MIL PLASTIC LINER EDGE COVERED WITH DIRT.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. VISUAL CHECK
Distance to nearest water well within one-mile of pit <u>N/A</u> feet Depth of water well _____ feet	Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ 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>DRILLING FLUID CUTTINGS</u> Number of working pits to be utilized: <u>(3) SUCTION, SHALE, RESERVE</u> Abandonment procedure: <u>PITS ALLOWED TO EVAPORATE UNTIL DRY THEN BACKFILL WHEN CONDITIONS ALLOW</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>APRIL 05, 2006</u> Date		 Signature of Applicant or Agent

15135244870000

KCC OFFICE USE ONLY			
Date Received: <u>4/6/06</u>	Permit Number: _____	Permit Date: <u>4/6/06</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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