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APR 11 2006

KCC WICHITA

For KCC Use: Effective Date: 5-6-06 District #: 3 SGA? Yes No

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

Form C-1 December 2002 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 May 2, 2006 month day year

Spot N/2- East West SW - SW Sec. 29 Twp. 22 S. R. 16/19

OPERATOR: License# 32710 Name: Laymon Oil II, LLC Address: 1998 Squirrel Road City/State/Zip: Neosho Falls, KS 66758 Contact Person: Kenneth Laymon Phone: 620-963-2495

1100 feet from N / S Line of Section 4620 feet from E / W Line of Section Is SECTION Regular Irregular?

CONTRACTOR: License# 5661 Name: Kelly Down Drilling Co., Inc

(Note: Locate well on the Section Plat on reverse side) County: Anderson Lease Name: Scully Unit A Well #: 7-06 Field Name: Colony-Welda

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

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Squirrel Nearest Lease or unit boundary: 165 feet MSL

If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth:

Ground Surface Elevation: n/a 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: 225

Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 20' Length of Conductor Pipe required: none Projected Total Depth: 900 Formation at Total Depth: Squirrel

Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #: 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: 4/24/06 Signature of Operator or Agent: Rajia Laymon Title: Agst

For KCC Use ONLY API # 15 - 003-24324-000 Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. 2 Approved by: Raj 5-1-06 This authorization expires: 11-1-06 (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

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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 - 003-24324-0000

Operator: Laymon Oil II, LLC

Lease: Scully Unit A

Well Number: 7-06

Field: Colony-Welda

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: NW - SW - SW

Location of Well: County: Anderson

1100 _____ feet from N / S Line of Section

4620 _____ feet from E / W Line of Section

Sec. 29 Twp. 22 S. R. 1819 East West

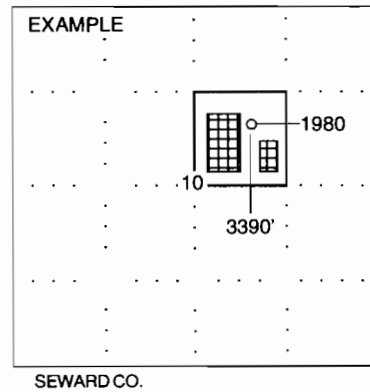
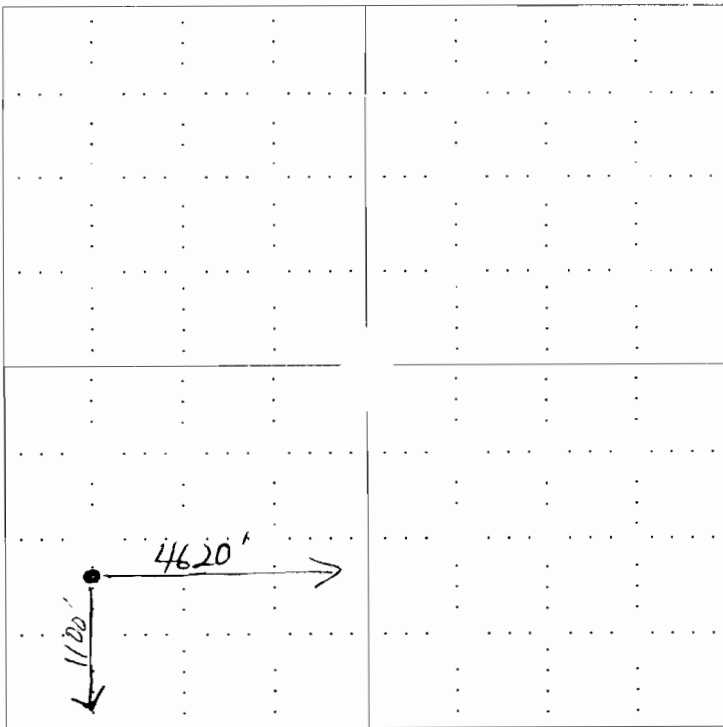
Is Section: Regular or Irregular

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.

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
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Laymon Oil II, LLC		License Number: 32710
Operator Address: 1998 Squirrel Road, Neosho Falls, KS 66758		
Contact Person: Kenneth Laymon		Phone Number: (620) 963 - 2495
Lease Name & Well No.: Scully Unit A #7-06		Pit Location (QQQQ): NW SW SW SW
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: 240 (bbls)	Sec. 29 Twp. 22 R. 19 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1100 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 4620 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Anderson County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <u>n/a</u> 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? native clay
Pit dimensions (all but working pits): <u>50</u> Length (feet) <u>8</u> Width (feet) <u>N/A</u> 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.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
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 gel</u> Number of working pits to be utilized: <u>one</u> Abandonment procedure: <u>backfill w/dirt</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>4/24/06</u> Date		<u><i>Kenneth Laymon</i></u> Signature of Applicant or Agent

15-003-24324-0000

KCC OFFICE USE ONLY			
Date Received: <u>4/26/06</u>	Permit Number: _____	Permit Date: <u>4/26/06</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