

Correction to footage location

RECEIVED KANSAS CORPORATION COMMISSION

MAY 17 2006

For KCC Use: Effective Date: 4-23-06 District #: 4 SGA?  Yes  No

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

CONSERVATION DIVISION WICHITA, KS

Form C-1 December 2002 Form must be Signed

CORRECTED

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date MAY 9 2006 month day year

130'S 130'W 125' N & 100' E of CENTER \* 1850 feet from N/S Line of Section \* 1850 feet from E/W Line of Section Is SECTION x Regular Irregular?

OPERATOR: License # 3882 Name: SAMUEL GARY JR. & ASSOCIATES, INC. Address: 1670 BROADWAY, SUITE 3300 City/State/Zip: DENVER, CO 80202 Contact Person: TOM FERTAL Phone: (303) 831-4673

CONTRACTOR: License 33323 Name: PETROMARK DRILLING, 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#:

County: RUSSELL Lease Name: PESCHKA Well #: 2-34 Field Name: DAVIDSON Is this a Prorated / Spaced Field? Target Formation(s): LANSING, ARBUCKLE Nearest Lease or unit boundary: 430' 530' Ground Surface Elevation: Est. 1800 feet MSL Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 100 Depth to bottom of usable water: 300 Surface Pipe by Alternate: 1 Length of Surface Pipe Planned to be set: 420 Length of Conductor pipe required: NONE Projected Total Depth: 3500' Formation at Total Depth: ARBUCKLE Water Source for Drilling Operations: Well, Farm Pond, Other X DWR Permit #: N/A Will Cores Be Taken? If yes, proposed zone: N/A

CORRECTION: WAS 1775' from SL / 1750' F.W.L. IS: 1850' F.S.L. / 1850' F.W.L. AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 a 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.

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

Date: APRIL 17, 2006 Signature of Operator or Agent: Thomas H. Hotal Title: SR. GEOLOGIST

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CONSERVATION DIVISION WICHITA, KS

Remember to:

For KCC use ONLY API # 15 - 167-23352-0000 Conductor pipe required None feet Minimum surface pipe required 380 feet per Alt. 1 X Approved by: RCT 4-18-06 / RAB 5-17-06 This authorization expires: 10-18-06 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

- 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

34 15 11W

\* CORRECTED

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Side Two

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 - 167-23352-000
Operator: SAMUEL GARY JR & ASSOCIATES, INC.
Lease: PESCHKA
Well Number: 2-34
Field: DAVIDSON

Location of Well: County: RUSSELL
\* 1850 1775 feet from N / S Line of Section
\* 1850 1730 feet from E / W Line of Section
Sec. 34 Twp. 15 S. R. 11 East West

Is Section: Regular or Irregular

Number of Acres attributable to well:

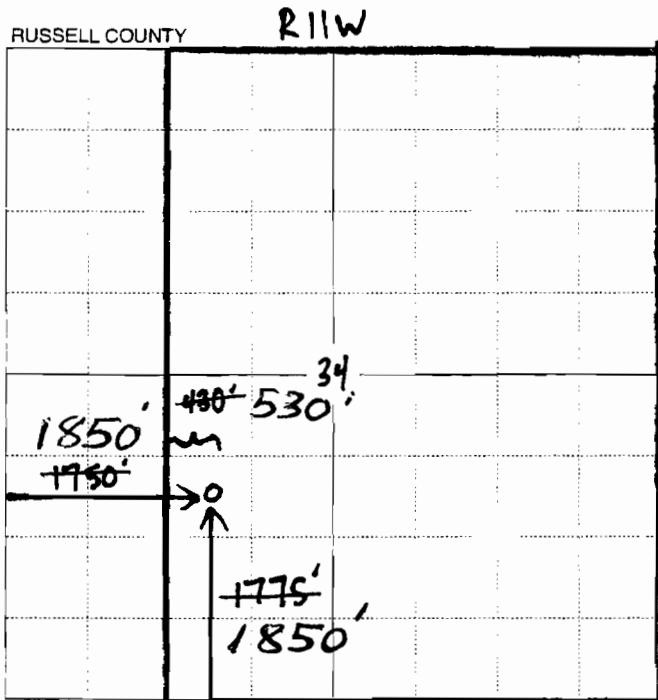
QTR / QTR / QTR of acreage:

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

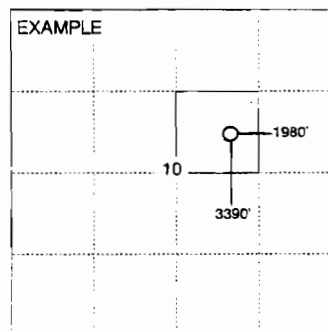
Section corner used: NE NW SE SW

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.)



530'
470' from nearest lease boundary.



SEWARD CO.

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APR 18 2006

CONSERVATION DIVISION WICHITA, KS

NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:

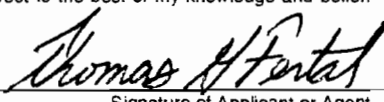
- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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).

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**MAY 17 2006**  
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KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**      **CONSERVATION DIVISION**  
**WICHITA, KS**

Form CDP-1  
 April 2004  
 Form must be Typed

*Submit in Duplicate*

Operator Name: <b>SAMUEL GARY JR. AND ASSOCIATES, INC.</b>		License Number: <b>3882</b>
Operator Address: <b>1670 BROADWAY, SUITE 3300 DENVER, CO 80202-4838</b>		
Contact Person: <b>TOM FERTAL</b>		Phone Number: ( <b>303</b> ) <b>831 4673</b>
Lease Name & Well No.: <b>PESCHKA 2-34</b>		Pit Location (QQQQ): <b>NE SW NE SW</b>
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: <b>3200</b> (bbbls)
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Sec. <b>34</b> Twp. <b>15</b> R. <b>11</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>RUSSELL</b> County
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		How is the pit lined if a plastic liner is not used? <b>NATIVE MUD AND CLAY</b>
Pit dimensions (all but working pits): <b>80</b> Length (feet) <b>80</b> Width (feet)    N/A: Steel Pits Depth from ground level to deepest point: <b>3</b> (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 <b>NA</b> feet    Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>FRESH MUD</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>ALLOW TO DRY, THEN BACKFILL</b> 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.		
<b>April 17, 2006</b> Date		 Signature of Applicant or Agent

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**WICHITA, KS**

15-167-23352-0000

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>4/18/06</b>	Permit Number: _____	Permit Date: <b>4/18/06</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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