

For KCC Use: 6-2006  
 Effective Date: 3  
 District # 3  
 SGA?  Yes  No

**NOTICE OF INTENT TO DRILL**

**JUN 15 2006**

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 06/07/06  
 month day year

Spot SW-NE SE NW Sec. 23 Twp. 33S S. R. 18  
 East  
 West

OPERATOR: License# 33583  
 Name: Admiral Bay (USA) Inc  
 Address: 14550 E Easter Ave, Ste. 1000  
 City/State/Zip: Centennial, CO 80112  
 Contact Person: Janet Johnson  
 Phone: 303-327-7016

1935 feet from  N /  S Line of Section  
 2040 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

CONTRACTOR: License# 5786  
 Name: McGown Drilling

(Note: Locate well on the Section Plat on reverse side)  
 County: Labette  
 Lease Name: Nelson Trust Well #: 6-23

Field Name: Mound Valley South  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Riverton

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

Nearest Lease or unit boundary: 1935 FNL  
 Ground Surface Elevation: 804' feet MSL

Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

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

Depth to bottom of fresh water: 100'  
 Depth to bottom of usable water: 200'

Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe required: None  
 Projected Total Depth: 1400'

Directional, Deviated or Horizontal wellbore?  Yes  No

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:  Well  Farm Pond  Other

If Yes, true vertical depth: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

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

KCC DKT #: \_\_\_\_\_

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: 06/02/06 Signature of Operator or Agent: [Signature] Title: Land Coordinator

For KCC Use ONLY  
 API # 15 - 099-23988-022  
 Conductor pipe required None feet  
 Minimum surface pipe required 20 feet per Alt. XO 2  
 Approved by: Pat 6-15-06  
 This authorization expires: 12-15-06  
 (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: \_\_\_\_\_

23  
33  
18E

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

JUN 05 2006

*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 - 099-23988-0000  
 Operator: Admiral Bay (USA) Inc  
 Lease: Nelson Trust  
 Well Number: 6-23  
 Field: Mound Valley South  
 Number of Acres attributable to well: 40  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - SE - \_\_\_\_\_ NW

Location of Well: County: Labette  
 1935 \_\_\_\_\_ feet from  N /  S Line of Section  
 2040 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 23 Twp. 33S S. R. 18  East  West

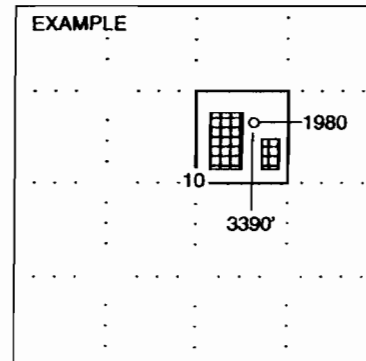
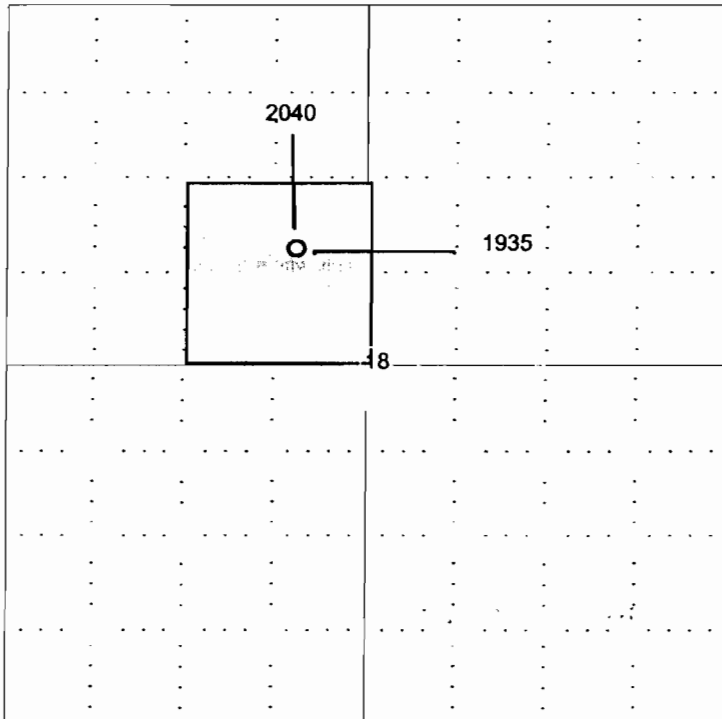
Is Section:  Regular or  Irregular

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: (CO-7 for oil wells; CG-8 for gas wells).

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 JUN 5 2006

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
 JUN 05 2006  
 Form CDP-1  
 April 2004  
 Form must be Typed

CONSERVATION DIVISION  
 WICHITA, KS

APPLICATION FOR SURFACE PIT

CONSERVATION DIVISION  
 WICHITA, KS

Submit in Duplicate

Operator Name: Admiral (USA) Inx		License Number: 33583
Operator Address: 14550 E Easter Ave., Ste. 100		
Contact Person: Janet Johnson		Phone Number: ( 303 ) 350 - 1255
Lease Name & Well No.: Nelson Trust 6-23		Pit Location (QQQQ): _____ SE _____ NW Sec. 23 Twp. 33S R. 18 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1935 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2040 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Labette 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: _____ (bbls)	
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 checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): _____ 20 _____ Length (feet) _____ 20 _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: _____ 5 _____ (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 _____ N/A _____ 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: Native mud Number of working pits to be utilized: 2 Abandonment procedure: air dry and back fill 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.		
_____ 06/02/06 _____ Date		_____ <i>Janet Johnson</i> _____ Signature of Applicant or Agent

15-099-23988-0220

<b>KCC OFFICE USE ONLY</b>			
Date Received: 6/15/06	Permit Number: _____	Permit Date: 6/15/06	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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