

For KCC Use:
 Effective Date: 6-28-06
 District #: 2
 SGA? Yes No

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

RECEIVED
 KANSAS CORPORATION COMMISSION
 December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be Filled
JUN 23 2006

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

Expected Spud Date JULY 29 2006
month day year

CONSERVATION DIVISION
 WICHITA, KS
 160' N & 135' W of CENTER
 SW - SE - NE Sec. 23 Twp. 18 S. R. 10
2150 feet from N / S Line of Section
1125 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

(Note: Locate well on the Section Plat on Reverse Side)
 County: RICE

Phone: (303) 831-4673

Lease Name: WEIHE Well #: 1-23

CONTRACTOR: License 33323
 Name: PETROMARK DRILLING

Field Name: WILDCAT
 Is this a Prorated / Spaced Field? Yes No

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

Target Formation(s): ARBUCKLE
 Nearest Lease or unit boundary: 490'

Ground Surface Elevation: Est. 1745 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: 260
 Depth to bottom of usable water: 260
 Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 280'
 Length of Conductor pipe required: NONE

Directional, Deviated or Horizontal wellbore? Yes No

Projected Total Depth: 3400'
 Formation at Total Depth: ARBUCKLE

If yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT#: _____

Water Source for Drilling Operations:
 Well Farm Pond Other X

DWR Permit #: N/A

(Note: Apply for Permit with DWR)
 Will Cores Be Taken? Yes No

If yes, proposed zone: N/A

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.
 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 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: JUNE 22, 2006 Signature of Operator or Agent: Thomas Fertal Title: SR. GEOLOGIST

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
18
10W

For KCC use ONLY
 API # 15 - 159-22487-0000
 Conductor pipe required None feet
 Minimum surface pipe required 280 feet per Alt. 1
 Approved by: 246-23-06
 This authorization expires: 12-23-06
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

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

JUN 23 2006

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 - 159-22487-0000
 Operator: SAMUEL GARY JR & ASSOCIATES, INC.
 Lease: WEIHE
 Well Number: 1-23
 Field: _____

Location of Well: County: RICE

 2150 feet from N / S Line of Section

 1125 feet from E / W Line of Section
 Sec. 23 Twp. 18 S. R. 10 East West

Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____ - _____ - _____

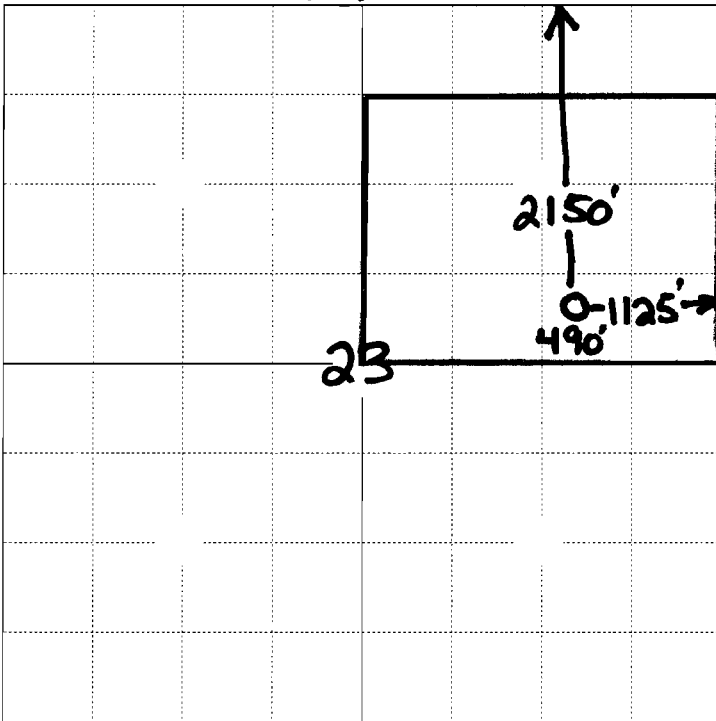
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

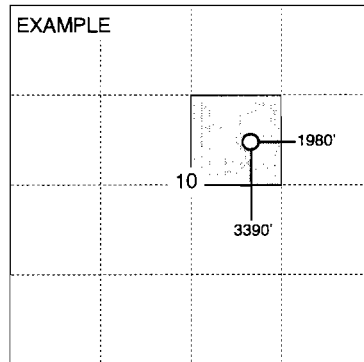
(Show footage to the nearest lease or unit boundary line.)

RICE COUNTY

R 10W



*490' from nearest
lease boundary*



SEWARD CO.

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

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

JUN 23 2006

Form CDP-1
April 2004

Form must be Typed

CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

Operator Name: SAMUEL GARY JR. AND ASSOCIATES, INC.		License Number: 3882
Operator Address: 1670 BROADWAY, SUITE 3300 DENVER, CO 80202-4838		
Contact Person: TOM FERTAL		Phone Number: (303) 831 - 4673
Lease Name & Well No.: WEIHE 1-23		Pit Location (QQQQ): SW SE NE
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: 3200 (bbbls)	Sec. 23 Twp. 18 R. 10 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2150 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1125 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section RICE _____ 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 checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? NATIVE MUD AND CLAY
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 3 (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 2592 feet Depth of water well 150 feet		Depth to shallowest fresh water 50 feet. Source of information: KNKG 6 _____ 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: FRESH MUD Number of working pits to be utilized: 3 Abandonment procedure: ALLOW TO DRY, THEN BACKFILL _____ 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.		
JUNE 22, 2006 Date		<i>Thomas J Fertal</i> Signature of Applicant or Agent

15-159-

KCC OFFICE USE ONLY			
Date Received: 6/23/06	Permit Number: _____	Permit Date: 6/23/06	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No