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AUG 08 2005

Form C-1

December 2002

Form must be Typed

Form must be Signed

Blanks must be Filled

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing work

KCC WICHITA

For KCC Use: 8-13-05
Effective Date: 8-13-05
District #: 2
SGA? Yes No

Expected Spud Date: 08 month 15 day 2005 year

OPERATOR: License# 30483
Name: Kremerer Production & Operating Co.
Address: 3183 US Hwy 56
City/State/Zip: Herington KS 67449
Contact Person: Les Kremerer
Phone: 785-366-6249

CONTRACTOR: License# 32548
Name: Kan-Drill, Inc

Well Drilled For: Oil Gas OWWO Seismic; # of Holes 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? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot SE 1/4 NE 1/4 NE 1/4 Sec. 19 Twp. 19 S. R. 6
400 feet from N / S Line of Section
400 feet from E / W Line of Section

Is SECTION Regular Irregular?

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

County: Chase

Lease Name: Steerman Well #: 1

Field Name: Koegenboehn

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Viola

Nearest Lease or unit boundary: 400

Ground Surface Elevation: 1374 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: 40 ft 150

Depth to bottom of usable water: 10 ft 180

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200 ft

Length of Conductor Pipe required: NONE

Projected Total Depth: 2200? - RSP/KC

Formation at Total Depth: Viola

Water Source for Drilling Operations:

Well Farm Pond Other _____

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: 8/13/05 Signature of Operator or Agent: Christine Kremerer Title: _____

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KCC WICHITA

For KCC Use ONLY

API # 15 - 017 - 20876 - 0000

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. 1

Approved by: RJP 8-8-05

This authorization expires: 2-8-06

(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.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: _____

Date: _____

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

* Re-permitted under 15-017-20885-0000
5/23/06 RJP

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