

For KCC Use: Effective Date: 7-10-06 District #: 2 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

RECEIVED KANSAS CORPORATION COMMISSION

Form C-1 December 2002

NOTICE OF INTENT TO DRILL

JUN 26 2006

Form must be Typed Form must be Signed All blanks must be Filled

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

CONSERVATION DIVISION WICHITA, KS

Expected Spud Date JULY 15 2006 month day year

165' N & 75' W of CENTER N/C - NW - NW Sec. 25 Twp. 18 S. R. 10 165 feet from 585 feet from 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

County: RICE Lease Name: BEHNKE TRUSTS Well #: 1-25

CONTRACTOR: License 8273 Name: EXCELL SERVICES INC.

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

Well Drilled For: Oil Gas OWWO Seismic Other Well Class: Infield Pool Ext Wildcat Other Type Equipment: Mud Rotary Air Rotary Cable

Target Formation(s): LANSING. ARBUCKLE Nearest Lease or unit boundary: 330'

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

Ground Surface Elevation: Est. 1740 feet MSL Water well within one-quarter mile: Public water supply well within one mile:

Directional, Deviated or Horizontal wellbore? If yes, true vertical depth: Bottom Hole Location: KCC DKT#: Oil & Gas Leases w/ Pooling clause Attached.

Depth to bottom of fresh water: 260 Depth to bottom of usable water: 260 Surface Pipe by Alternate: 1 2

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: JUNE 23, 2006 Signature of Operator or Agent: Thomas Fertal Title: SR. GEOLOGIST

Remember to:

For KCC use ONLY API # 15 - 159-22490-0000 Conductor pipe required None feet Minimum surface pipe required 280 feet per Alt. 1 Approved by: PUF 7-5-06 This authorization expires: 1-5-07 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

25 18 10W

JUN 26 2006

CONSERVATION DIVISION
WICHITA, KS

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

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 - 159-22490-0000

Operator: SAMUEL GARY JR & ASSOCIATES, INC.

Lease: BEHNKE TRUSTS

Well Number: 1-25

Field: _____

Location of Well: County: RICE

165 feet from N / S Line of Section

585 feet from E / W Line of Section

Sec. 25 Twp. 18 S. R. 10 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.

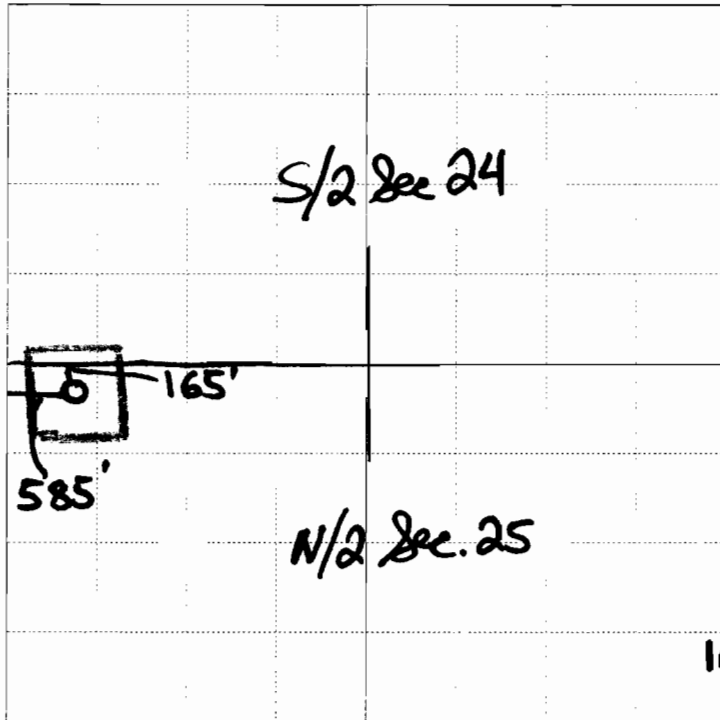
Section corner used: NE NW SE SW

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.)*

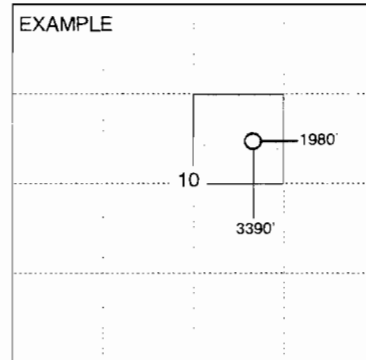
RICE COUNTY

R10W



**330' from boundary of
10 acre pooled area**

**T
18
S**



165 FSL/255 FWL **165 FSL/915 FWL**
495 FSL/255 FWL **495 FSL/915 FWL**

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).

JUN 26 2006

Form CDP-1
April 2004
Form must be Typed

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

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.: BEHNKE TRUSTS 1-25		Pit Location (QQQQ): _____ N/2 _____ NW _____ NW Sec. <u>25</u> Twp. <u>18</u> R. <u>10</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>165</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>585</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>RICE</u> _____ 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: <u>4000</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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): <u>75</u> Length (feet) <u>75</u> Width (feet) _____ N/A: 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>1584</u> feet Depth of water well <u>126</u> feet		Depth to shallowest fresh water <u>29</u> feet. Ⓞ Source of information: <u>KH KGS</u> _____ 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>FRESH MUD</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>ALLOW TO DRY, THEN BACKFILL</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>JUNE 23, 2006</u> Date		<u>Thomas Fertal</u> Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>6/26/06</u> Permit Number: _____ Permit Date: <u>7/5/06</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<u>R.FAS472 HFS</u>

15-159-22490-0000

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

July 5, 2006

Tom Fertal
Samuel Gary Jr. & Associates, Inc.
1670 Broadway, Ste 3300
Denver CO 80202

Re: Drilling Pit Application
Behnke Trusts Lease Well No. 1-25
NW/4 25-18S-10W
Rice County, Kansas

Dear Mr. Fertal:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Form CDP-5 (August 2004), Exploration and Production Waste Transfer, must be filed within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms/

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Doug Louis
File