For KCC Use: 7-23-06 Effective Date: District #_ SGA? XYes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1 December 2002 Form must be Typed Form must be Signed All blanks must be Filled

7/22/2006	
Expected Spud Date	Spot X SE NE Sec 36 Two 28S S.R. 13E West
	West was
OPERATOR: License#	2300 feet from X N / S Line of Section
Name: Carroll Energy, LLC	Test non test non test non
Address: 2198 Valley High Dr	Is SECTIONRegular^_ Irregular?
City/State/Zip: Independence, KS 67301	(Note: Locate well on the Section Plat on reverse side)
Contact Person: Terry Carroll Jr.	County: Wilson
Phone: (620) 330-7213	Lease Name: HOUDYSHELL Well #: C-2
22274	Field Name: New Albany
CONTRACTOR: License# 33374 L & S Well Service, LLC	ts this a Prorated / Spaced Field?
Name: La 3 vven service, LLC	Target Formation(s): Cherokee Coals
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 360'
	Ground Surface Elevation: 920feet MSL
X Oil Enh Rec X Infield Mud Rotary	Water well within one-quarter mile:
X Gas Storage Pool Ext. X Air Rotary	Public water supply well within one mile:
OWWO Disposal Wildcat Cable	Depth to bottom of fresh water: 100'+
Seismic; # of Hales Other	Depth to bottom of usable water: 300+ 200
Other	Surface Pipe by Alternate: 1 X 2
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 20' 40' Minimum
	Length of Conductor Pipe required:
Operator:	Projected Total Depth: 1200'
Well Name: Original Completion Date: Original Total Depth:	Formation at Total Depth: Mississippi
Original Completion Date: Original Total Depth:	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes X No	Well X Farm Pond Other
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note: Apply for Permit with DWR
KCC DKT #:	Will Cores be taken?
	If Yes, proposed zone:
	If Yes, proposed zone: RECEIVED
AFFI	
AFFI The undersigned hereby affirms that the drilling, completion and eventual pl	DAVIT ugging of this well will comply with K.S.A. 55 et. seq. RECEIVED JUL 17 2006
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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

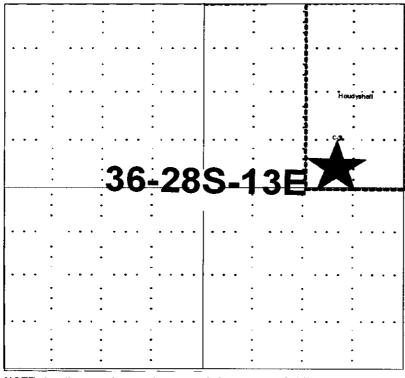
Plat of acreage attributable to a well in a prorated or spaced field

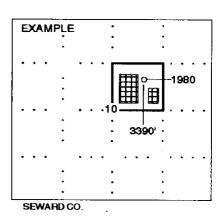
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 205-26866-000	Location of Well: County: Wilson
Operator: Carroll Energy, LLC	2300 feet from XN / S Line of Section
Lease: HOUDYSHELL	900 feet from X E / W Line of Section
Well Number: C-2	Sec. 36 Twp. 28S S. R. 13E X East Wes
Field: New Albany	المسيا المسا
Number of Acres attributable to well:	Is Section: Regular or X Irregular
QTR / QTR / QTR of acreage:SWSENE	If Section is irregular, locate well from nearest corner boundary. Section comer used: XNE NW SE SW

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

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





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

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.
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Carroll Energy, LLC		License Number: 32912	
Operator Address: 2198 Valley High Dr, Independence, KS 67301			
Contact Person: Terry Carroll Jr.		Phone Number: (620) 330-7213	
Lease Name & Well No.: HOUDYSHELL	C-2		Pit Location (QQQQ):
Type of Pit:	Pit is:		_C SW - SE NE
Emergency Pit Burn Pit	Proposed Existing		Sec. 36 Twp. 28S R. 13E X East West
Settling Pit X Drilling Pit	If Existing, date constructed:		2300 Feet from [X] North / South Line of Section
Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit capacity:	(bbis)	900 Feet from X East / West Line of Section Wilson
Is the pit located in a Sensitive Ground Water			Chloride concentration:NAmg/l
Is the bottom below ground level? X Yes No	Artificial Liner?	No	(For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used? CLAY
Pit dimensions (all but working pits):	20 Length (fe	et) 8	Width (feet) N/A: Steel Pits
Depth fro	om ground level to de	epest point:	5 (feet)
If the pit is lined give a brief description of the material, thickness and installation procedure		liner integrity, ir	dures for periodic maintenance and determining including any special monitoring. **RECEIVED** JUL 17 2006
Source of infor		west fresh water 20 feet. KCC WICHITA	
2800 feet Depth of water well	4 7 feet	measu	redwell owner electric logKDWR
Emergency, Settling and Burn Pits ONLY:		<u>.</u>	over and Haul-Off Pits ONLY:
Producing Formation: Type of material utilized in drilling/workover: FRESH WATER Number of producing wells on lease: 1		18	
Number of producing wells on lease: Number of work Barrels of fluid produced daily: Abandonment		AID DDV	
Does the slope from the tank battery allow all spilled fluids to		pe 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.			
07/12/2006 Date Signature of Applicant or Agent			
KCC OFFICE USE ONLY			
Date Received: 7/17/06 Permit Number: Permit Date: 7/17/06 Lease Inspection: Yes A No			