

Skid Rig

For KCC Use: Effective Date: 7-24-06 District # 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date 7 21 2006 month day year

Spot 720 se nw nw Sec. 13 Twp. 23 S. R. 16 East West 720 feet from N / S Line of Section 1240 feet from E / W Line of Section Is SECTION Regular Irregular?

OPERATOR: License# 31488 Name: mark george Address: 817 c street City/State/Zip: leroy ks 66857 Contact Person: mark george Phone: 620 363 0250

(Note: Locate well on the Section Plat on reverse side) County: coffey Lease Name: graham Well #: 18a Field Name: leroy

CONTRACTOR: License# 32642 Name: nick brown

Is this a Prorated / Spaced Field? Yes No Target Formation(s): squirrel squirrel Nearest Lease or unit boundary: 720

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

Ground Surface Elevation: _____ 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: 100 Depth to bottom of usable water: 200 Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 40

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

Length of Conductor Pipe required: _____ Projected Total Depth: none squirrel Formation at Total Depth: 1000

Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth: _____ Bottom Hole Location: _____ KCC DKT #: _____

Water Source for Drilling Operations: Well Farm Pond Other other DWR Permit #: _____ (Note: Apply for Permit with DWR) Will Cores be taken? Yes No

using old P.T # 18 which was plugged

AFFIDAVIT

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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: 7/17/2006 Signature of Operator or Agent: Mark George Title: owner

For KCC Use ONLY API # 15 - 031-22231-0000 Conductor pipe required None feet Minimum surface pipe required 40 feet per Alt. Approved by: RLH 7-19-06 This authorization expires: 1-19-07 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: _____

13 23 10E

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 - 031-22231-0000
 Operator: mark george
 Lease: graham
 Well Number: 18a
 Field: feroy
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: se - nw - nw

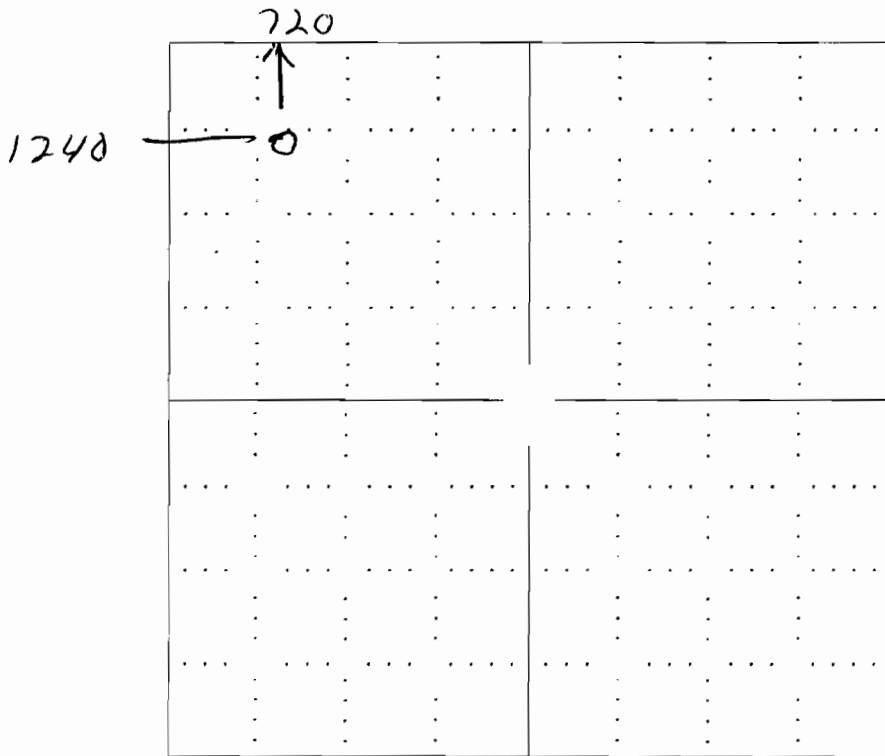
Location of Well: County: coffey
 720 _____ feet from N / S Line of Section
 1240 _____ feet from E / W Line of Section
 Sec. 13 Twp. 23 S. R. 16 East West

Is Section: Regular or Irregular

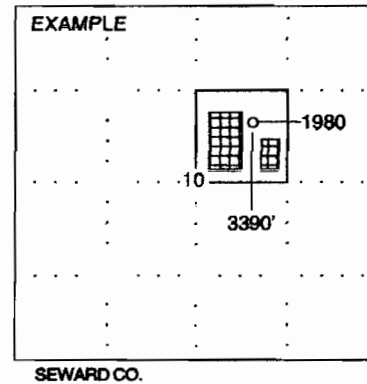
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



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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.
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).

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

Form CDP-1
April 2004
Form must be Typed

Skid Rig, Using original pit

Submit in Duplicate

Operator Name: <u>mark george</u>		License Number: <u>31488</u>	
Operator Address: <u>817 c street leroy ks 66857</u>			
Contact Person: <u>mark george</u>		Phone Number: (<u>620</u>) <u>363</u> - <u>0250</u>	
Lease Name & Well No.: <u>graham 18</u>		Pit Location (QQQQ): <u>se</u> - <u>se</u> - <u>nw</u> - <u>nw</u> Sec. <u>13</u> Twp. <u>23</u> R. <u>16</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West	
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)	Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>710</u> 740 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>1240</u> <u>coffey</u> County	
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? <u>clay silt</u>	
Pit dimensions (all but working pits): <u>20</u> Length (feet) <u>10</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>none</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ 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>water</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>fill</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>6 1 2006</u> Date		<u>Mark George</u> Signature of Applicant or Agent	

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15-031-22231-0000

KCC OFFICE USE ONLY

Date Received: 7/18/06 Permit Number: _____ Permit Date: 7/18/06 Lease Inspection: Yes No