

For KCC Use: 7-29-06
 Effective Date: 7-29-06
 District #: 2
 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 August 14, 2006
month day year

Spot SE SW NE Sec. 21 Twp. 27 S. R. 4 East West
2310 feet from N / S Line of Section
1750 feet from E / W Line of Section

OPERATOR: License# 32693
 Name: Hawkins Oil, L.L.C.
 Address: 427 S. Boston, Ste 915
 City/State/Zip: Tulsa, Oklahoma 74103
 Contact Person: James F. Hawkins, Jr.
 Phone: 918-382-7743

Is SECTION Regular Irregular?

CONTRACTOR: License# 32701
 Name: C&G Drilling

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

County: Butler
 Lease Name: McClure Well #: 3A
 Field Name: North Augusta

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle
 Nearest Lease or unit boundary: 1000'

Ground Surface Elevation: 1224' 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: 180'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe required: NA

Projected Total Depth: 2400

Formation at Total Depth: Arbuckle

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: _____

Well Drilled For: Oil Gas O&W Seismic Other
 Well Class: Enh Rec Storage Disposal # of Holes 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 #: _____

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: 6/28/06 Signature of Operator or Agent: James F. Hawkins, Jr. Title: President

For KCC Use ONLY
 API # 15 - 015-23691-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per Alt. 1
 Approved by: RH 7-24-06
 This authorization expires: 1-24-07
 (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 operations;
- 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

RECEIVED
 JUL 10 2006
 KCC WICHITA

RECEIVED
 JUL 17 2006
 KCC WICHITA

RECEIVED
 JUN 30 2006
 KCC WICHITA

21-27-17

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

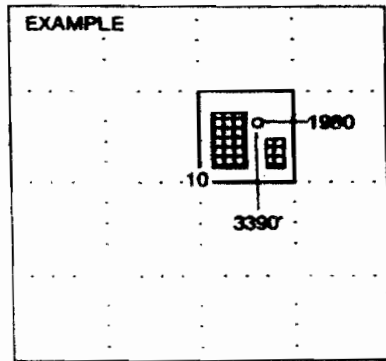
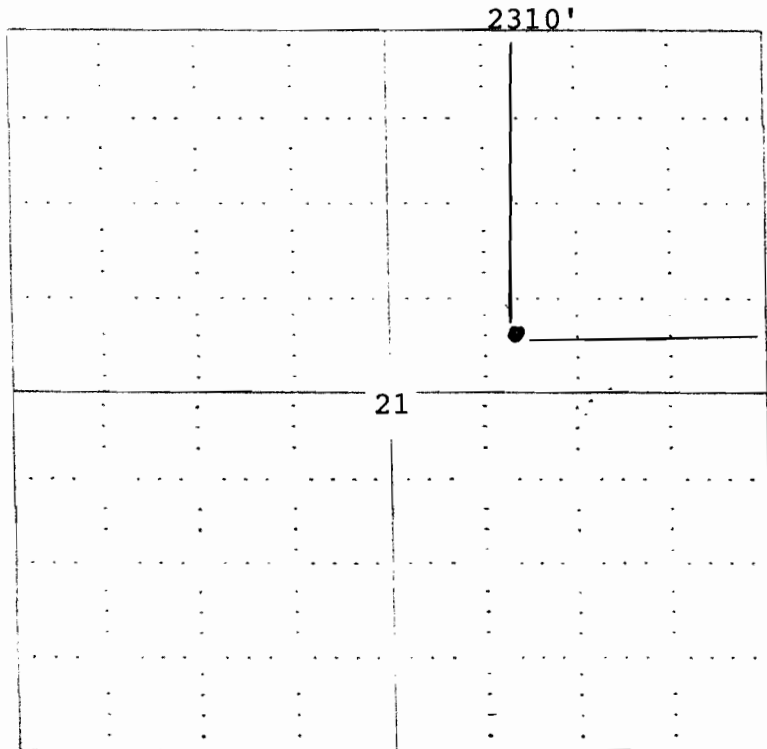
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 015-23691-0000
 Operator: Hawkins Oil, LLC
 Lease: McClure
 Well Number: 3A
 Field: North Augusta
 Number of Acres attributable to well:
 QTR / QTR / QTR of acreage SE SW NE

Location of Well: County: Butler
2310 feet from S / (N) (circle one) Line of Section
1750 feet from (E) / W (circle one) Line of Section
 Sec. 21 Twp. 27 S. R. 4 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.)



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
 JUL 10 2006
 KCC WICHITA

RECEIVED
 JUL 17 2006

KCC WICHITA

RECEIVED
 JUN 30 2006
 KCC WICHITA

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

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: HAWKINS OIL, LLC		License Number: 32693
Operator Address: 427 S. Boston, Suite 915, Tulsa, OK 74103-4114		
Contact Person: James F. Hawkins, Jr.		Phone Number: (918) 382 7743
Lease Name & Well No.: McClure 3A		Pit Location (QQQQ): SE SW NE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn 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: 5000 (bbls)	Sec. 21 Twp. 27 R. 4 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 2310 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1750 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Butler 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 60 Length (feet) 60 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 6 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Bentonite		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA
Distance to nearest water well within one-mile of pit 2872 feet Depth of water well 16 feet		Depth to shallowest fresh water 115 feet. (D) Source of information: KHKB _____ 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 checked="" type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh water & Native Mud Number of working pits to be utilized: 3 Abandonment procedure: Allow to dry, then backfill and level. 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.		
7-13-06 Date		Betty J. Baker, Agent Signature of Applicant or Agent KCC WICHITA
RECEIVED JUL 17 2006		
KCC OFFICE USE ONLY		
Date Received: 7/17/06 Permit Number: _____ Permit Date: _____ Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-015-23691-0000

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

July 24, 2005

JAMES F HAWKINS JR
HAWKINS OIL LLC
427 S BOSTON STE 915
TULSA OK 74103

Re: Drilling Pit Application
McClure Lease Well No. 3A
2310'FNL-1750'FEL 21-27S-04E
Butler County, Kansas

Dear Mr. Hawkins:

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 within 72 hours of completion of drilling operations.

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) 337-6231 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, 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,



Sammy K. Flaharty, Management Systems Analyst
Department of Environmental Protection and Remediation

cc: Doug Louis
File