For KCC Use: SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Form C-1 Form must be Typed Form must be Signed

| Must be approved by KCC five | (5) days prior to commencing well |
|---|--|
| Expected Spud Date August 10, 2006 | Spot SW NW SW 0 30 - 21 - 14 |
| , , | Sec S. R West |
| OPERATOR: License# 33247 | leet from N / V S Line of Section |
| Name: Petrol Oil and Gas, Inc. | feet from E / W Line of Section |
| Address: 401 Pearson Ave. Box 447 | ls SECTIONRegularIrregular? |
| City/State/Zip: Waverly, KS 66871 | (Note: Locate well on the Section Plat on reverse side) |
| Contact Person: Brad Kramer | County: Coffey |
| Phone: 785 733-2158 | Lease Name: Schif Well #. 30-2 |
| 30567 | Field Name: Hatch NE |
| CONTRACTOR: License# 30567 | Is this a Prorated / Spaced Field? |
| Name: Rig 6 Drilling Company | Target Formation(s): Mississippi |
| Well Drilled For: Well Class: Type Equipment: | Nearest Lease or unit boundary: 339 |
| | Ground Surface Elevation: 1130feet MSL |
| Oil Enh Rec Infield Mud Rotary | Water well within one-quarter mile: |
| Gas Storage Pool Ext. Air Rotary | Public water supply well within one mile: |
| OWWO Disposal Wildcat Cable | Depth to bottom of fresh water: 100+ |
| Seismic;# of Holes Other | Depth to bottom of usable water: 200+ |
| Other | Surface Pipe by Alternate: 1 2 |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: 40' |
| | Length of Conductor Pipe required: N/A |
| Operator: | Projected Total Depth: 1850' |
| Well Name:Original Total Depth: | Formation at Total Depth: Mississippi |
| Original Completion DateOriginal lotal Deptil: | Water Source for Drilling Operations: |
| Directional, Deviated or Horizontal wellbore? | Well 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: |
| | IDAVIT RECEIVED |
| The undersigned hereby affirms that the drilling, completion and eventual p | lugging of this well will comply with KANSAS CORPORATION COMMISSION |
| It is agreed that the following minimum requirements will be met: | JUL 2 6 2006 |
| 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 ea | ch drilling rig; et by circulating cement to the top; in all cases with the set the set of the condition of |
| through all unconsolidated materials plus a minimum of 20 feet into t | he underlying formation |
| | district office on plug length and placement is necessary <i>prior to plugging</i> ; |
| 5. The appropriate district office will be notified before well is either plu | |
| | ted from below any usable water to surface within 120 days of spud date. |
| | #133,891-C, which applies to the KCC District 3 area, alternate II cementing be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing. |
| | • |
| I hereby certify that the statements made herein are true and to the best of | if my knowledge and belief. |
| Date: 7/04/06 Signature of Operator or Agent: | Title: Agent |
| 3,000 | |
| Fair KOO Haa ONI V | Remember to: |
| For KCC Use ONLY API # 15 - 031 - 222 36 -0000 | - File Drill Pit Application (form CDP-1) with Intent to Drill; |
| AI 1 " 10 | File Completion Form ACO-1 within 120 days of spud date; File acreage attribution plat according to field proration orders; |
| Conductor pipe required None feet | Notify appropriate district office 48 hours prior to workover or re-entry; |
| Minimum surface pipe required 40 feet per Alt. 12 | - Submit plugging report (CP-4) after plugging is completed; |
| Approved by: <u>PiH 7-26-06</u> | - Obtain written approval before disposing or injecting salt water |
| 1- 3/57 | - If this permit has expired (See: authorized expiration date) please |
| This authorization expires: (This authorization void if drilling not started within 6 months of approval date.) | check the box below and return to the address below. |
| (17115 authorization void it driping not started within 6 months of apploval date.) | Well Not Drilled - Permit Expired |
| Spud date: Agent: | Signature of Operator or Agent: |
| | Date: |

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 - 031-22236-0000 | Location of Well: County: Coffey |
|---------------------------------------|--|
| Operator: Petrol Oil and Gas, Inc. | 1817 feet from N / S Line of Section |
| Lease: Schif | feet from E / W Line of Section |
| Well Number: 30-2 | Sec. 30 Twp. 21 S. R. 14 East Wes |
| Field: Hatch NE | |
| Number of Acres attributable to well: | Is Section: Regular or Irregular |
| QTR / QTR / QTR of acreage:SWNWSW | 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.)

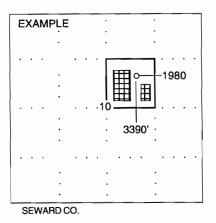
(Show footage to the nearest lease or unit boundary line.)

| | · · · · · · · · · · · · · · · · · · · | : : | |
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KANSAS CORPORATION COMMISSION

JUL 2 6 2006

CONSERVATION DIVISION WICHITA, KS



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).

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: Petrol Oil and Gas, | Inc | | License Number: 33247 | | |
|---|-----------------------|---|--|--|--|
| Operator Address: 401 Pearson Av | | erly KS 668 | | | |
| Contact Person: Brad Kramer | | | Phone Number: (785) 733 - 2158 | | |
| Lease Name & Well No.: Schif 30-2 | | | Pit Location (QQQQ): | | |
| | Dit in | | ME E/2 SW/4 NW/4 SW/4 | | |
| Type of Pit: | Pit is: | [] Fuither | | | |
| Emergency Pit Burn Pit | ✓ Proposed | Existing | Sec. 30 Twp. 21 R. 14 | | |
| Settling Pit Drilling Pit | If Existing, date of | onstructed: | Feet from North / South Line of Section | | |
| Workover Pit Haul-Off Pit | Pit capacity: | | 339 Feet from East / 🔽 West Line of Section | | |
| (If WP Supply API No. or Year Drilled) | | (bbls) | Coffey County | | |
| Is the pit located in a Sensitive Ground Water | Area? Yes | No ∽ | Chloride concentration: mg/l | | |
| | | | (For Emergency Pits and Settling Pits only) | | |
| Is the bottom below ground level? | Artificial Liner? | NI- | How is the pit lined if a plastic liner is not used? | | |
| Yes No | Yes 🗸 | No | Native Clay | | |
| Pit dimensions (all but working pits): | 50 Length (fe | eet)10 | Width (feet) N/A: Steel Pits | | |
| Depth fo | om ground level to de | eepest point: 4 | (feet) | | |
| | | | JUL 2 6 2006 CONSERVATION DIVISION WICHITA, KS | | |
| Distance to nearest water well within one-mile | e of pit MA | Depth to shall Source of info | west fresh waterfeet. | | |
| feet Depth of water well _ | N/A feet | measi | uredwell owner electric logKDWR | | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Work | over and Haul-Off Pits ONLY: | | |
| | | Type of materi | Type of material utilized in drilling/workover: Drilling Mud | | |
| | | Number of wo | Number of working pits to be utilized: 1 | | |
| Barrels of fluid produced daily: Abandonment | | procedure: Air dry and backfill | | | |
| Does the slope from the tank battery allow al flow into the pit? Yes No | spilled fluids to | Abandonment procedure: Air dry and backfill Drill pits must be closed within 365 days of spud date. Indicorrect to the best of my knowledge and belief. | | | |
| I hereby certify that the above statements are true and correct to the best of my knowledge and belief. | | | | | |
| | | | | | |
| Date Signature of Applicant or Agent | | | | | |
| KCC OFFICE USE ONLY | | | | | |
| Date Received: 7/26/06 Permit Number: Permit Date: 7/26/06 Lease Inspection: Yes No | | | | | |

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