

For KCC Use:  
 Effective Date: 7-30-06  
 District #: 4  
 SGA?  Yes  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 Signed  
 All blanks must be Filled

CORRECTED

Expected Spud Date July 30, 2006  
 month day year

OPERATOR: License# 8627  
 Name: Prospect Oil and Gas Corporation  
 Address: Box 837  
 City/State/Zip: Russell, KS 67665  
 Contact Person: Brad Hutchison  
 Phone: (785) 483-6266 \* \* \* \*

CONTRACTOR: License# 33237  
 Name: Anderson Drilling

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> ONWD	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic: # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

If OWFO: 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 #: \_\_\_\_\_

Declaration of Unit Attached

# HAS Lease Name: COOK IS: Lease Name Lewis

Spot  
 N2NW - NW - SE Sec. 16 Twp. 10 S. R. 21  
 East  West  
2560 feet from  N /  S Line of Section  
2310 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Graham  
 Lease Name: Lewis Well #: 1  
 Field Name: Zeig  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Kansas City  
 Nearest Lease or unit boundary: 330'  
 Ground Surface Elevation: 2203 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: 150'  
 Depth to bottom of usable water: 1040' 950'  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 200+  
 Length of Conductor Pipe required: none  
 Projected Total Depth: 4,000  
 Formation at Total Depth: Kansas City  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other haul  
 DWR Permit #: \_\_\_\_\_  
 (Note: Apply for Permit with DWR )  
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with KANSAS CORPORATION COMMISSION  
 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, cement 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: July 25, 2006 Signature of Operator or Agent: Donna Thanda Title: Agent

For KCC Use ONLY  
 API # 15 - 065-23206-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per Alt. **X(3)**  
 Approved by: RH 7-25-06 / RH 8-2-06  
 This authorization expires: 1-25-07  
 (This authorization void if drilling not started within 6 months of approval 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 pronation 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

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KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
 APPLICATION FOR SURFACE PIT  
 CORRECTED  
 Submit in Duplicate

Form CDP-1  
 April 2004  
 Form must be Typed

**CORRECTED**

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Operator Name: <b>Prospect Oil &amp; Gas Corporation</b>		License Number: <b>6627</b>	
Operator Address: <b>Box 837, Russell, KS 67665</b>			
Contact Person: <b>Brad Hutchison</b>		Phone Number: ( <b>785</b> ) <b>483 - 6266</b>	
Lease Name & Well No.: <b>Lewis #1</b>		Pit Location (OOOQ): <b>N2 - NW - NW - SE</b> ✓	
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 (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>3,600</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No ✓		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? <b>native clay</b>			
Pit dimensions (all but working pits): <b>60</b> Length (feet) <b>60</b> Width (feet)    _____ N/A: Steel Pits Depth from ground level to deepest point: <b>5</b> (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.	
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Distance to nearest water well within one-mile of pit <b>1569</b> feet    Depth of water well <b>30</b> feet		Depth to shallowest fresh water <b>20</b> 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: <b>drilling mud</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>air dry and backfill</b> 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.			
July 25, 2006 Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: <b>7/25/06</b> Permit Number: _____ Permit Date: <b>7/25/06</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

KGS  
 15-065-03206-0000

Mail to: KCC - Conservation Division, 130 S. Market - Room 2978, Wichita, Kansas 67202

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