

For KCC Use:

Effective Date:

District #

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 Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date August 25, 2006
month day year

OPERATOR: License# 32657 ✓
Name: Gateway Resources, LLC
Address: 224 S. Crestway
City/State/Zip: Wichita, KS 67218
Contact Person: Gary F. Gensch
Phone: 316-684-0199

CONTRACTOR: License# 33575 ✓
Name: W.W. Drilling, LLC

Well Drilled For: Well Class: Type Equipment:

☒ Oil ☒ Enh Rec ☐ Infield ☒ Mud Rotary ✓
☐ Gas ☐ Storage ☐ Pool Ext. ☐ Air Rotary
☐ OWO ☐ Disposal ☒ Wildcat ✓ ☐ Cable
☐ Seismic; # of Holes ☐ Other
☐ Other

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 #: _____

Spot 110' E. + 45' N. of
C N/2 NW/4 Sec. 8 Twp. 7 S. R. 22 ☐ East ☒ West
615 feet from ☒ N / ☐ S Line of Section
1430 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: Ambrosier Well #: 1-8
Field Name: Wildcat
Is this a Prorated / Spaced Field? ☐ Yes ☒ No ✓
Target Formation(s): Lansing-Kansas City/Arbuckle ✓
Nearest Lease or unit boundary: 615'
Ground Surface Elevation: 2349.55 2353 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: 1100'
Surface Pipe by Alternate: ☐ 1 ☒ 2
Length of Surface Pipe Planned to be set: 200' ✓
Length of Conductor Pipe required: None
Projected Total Depth: 3900' ✓
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: _____

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: August 9, 2006 Signature of Operator or Agent: Gary F. Gensch Title: President

For KCC Use ONLY

API # 15 - 065-23217-0000Conductor pipe required None feetMinimum surface pipe required 200 feet per Alt. X2Approved by: RW 8-10-06This authorization expires: 2-10-07

(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 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: _____

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

RECEIVED

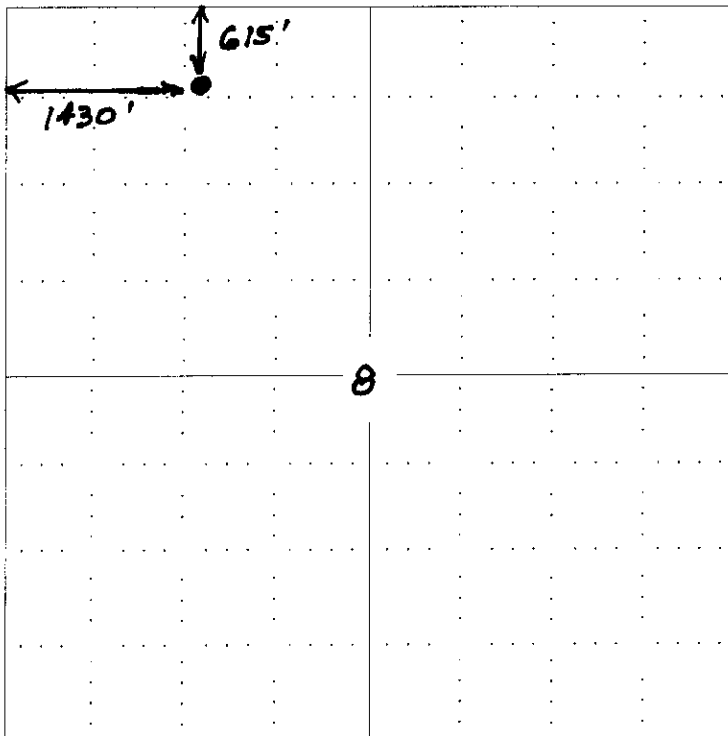
KANSAS CORPORATION COMMISSION

AUG 09 2006

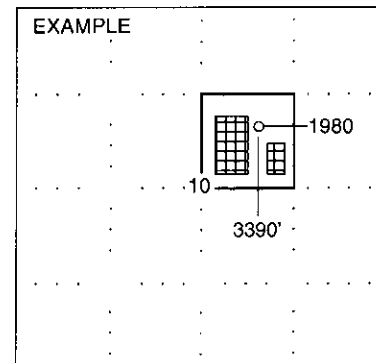
CONSERVATION DIVISION
WICHITA, KS8
7
22W

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 - 065-23217-000Operator: Gateway Resources, LLCLease: AmbrosierWell Number: 1-8Field: WildcatNumber of Acres attributable to well: 160QTR / QTR / QTR of acreage: C - N/2 - NW/4Location of Well: County: Graham615 feet from ☒ N / ☐ S Line of Section1430 feet from ☐ E / ☒ W Line of SectionSec. 8 Twp. 7 S. R. 22 ☐ East ☒ WestIs 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 acreage for prorated or spaced wells.)**(Show footage to the nearest lease or unit boundary line.)*

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KANSAS CORPORATION COMMISSION
AUG 09 2006
CONSERVATION DIVISION
WICHITA, KS



SEWARD CO.

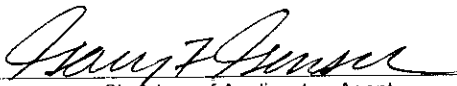
NOTE: In all cases locate the spot of the proposed drilling location.**Graham Co.****In plotting the proposed location of the well, you must show:**

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

Submit in Duplicate

Operator Name: Gateway Resources, LLC		License Number: 32657
Operator Address: 224 S. Crestway		
Contact Person: Gary F. Gensch		Phone Number: (316) 684 - 0199
Lease Name & Well No.: Ambrosier #1-8		Pit Location (QQQQ): 110' E 45'N N/2 NW/4 Sec. 8 Twp. 7S R. 22 ☐ East ☒ West 615 Feet from ☒ North / ☐ South Line of Section 1430 Feet from ☐ East / ☒ West Line of Section Graham County
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: 400 (bbls)	
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? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 60 Length (feet) 40 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (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.
		RECEIVED KANSAS CORPORATION COMMISSION AUG 09 2006 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit 5000 feet Depth of water well 80 feet	Depth to shallowest fresh water 30 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? ☐ Yes ☐ No	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Drilling Mud Number of working pits to be utilized: 4 Abandonment procedure: Allow contents to evaporate and dry and then backfill and restore to original state. 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.		
August 9, 2006 : _____ Date		 Signature of Applicant or Agent

KCC OFFICE USE ONLY

Date Received: **8/9/06** Permit Number: _____ Permit Date: **8/10/06** Lease Inspection: ☐ Yes ☒ No

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

15-065-23217-0000