For KCC Use: 8-26-06 Effective Date: 8-26-06 District # 3 SGA? Yes K No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Must be approved by KCC five ((5) days prior to commencing well Mound Valley
Expected Spud Date 2/14/06	Spot
month day year	- NW SE Sec. 23 Twp. 33S S. R. 18 West
OPERATOR: License# 33583 V	2170feet from N / S Line of Section
Name: Admiral Bay (USA) Inc.	2000 feet from F E / W Line of Section
	is SECTION RegularIrregular?
Address: 7060 8 So. Tucson Way City/State/Zip: Centennial, CO 80112	(Note: Locate well on the Section Plat on reverse side)
Contact Person: Steven Tedesco	County: LABETTE
Phone: 303-350-1255	Lease Name: Thompson Well # 10-23 EX
√	Field Name: Mound Valley South
CONTRACTOR: License# 5786	Is this a Prorated / Spaced Field? Yes ✓ No
Name: McGowan Drilling	Target Formation(s): Riverton
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 2000 FEL
	Ground Surface Elevation: 810' feet MSL
	Water well within one-quarter mile:
	Public water supply well within one mile:
OWWO Disposal Wildcat Cable Seismic; # of Holes Other	Depth to bottom of fresh water: 100+
	Depth to bottom of usable water: 200'+
Other	Surface Pipe by Alternate: 1 2 2
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 20'
Operator:	Length of Conductor Pipe required: None
Well Name:	Projected Total Depth: 1000'
Original Completion Date:Original Total Depth:	Formation at Total Depth: Riverton
Directional, Deviated or Horizontal wellbore?	Water Source for Drilling Operations:
tument to the second to the se	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? Yes ✓ No
	If Yes, proposed zone:
AFF	DAVIT PEOPE
The undersigned hereby affirms that the drilling, completion and eventual pl	lugging of this well will comply with K.S.A. SKANSAS CORPORATION COMMISSI
It is agreed that the following minimum requirements will be met:	
1. Notify the appropriate district office prior to spudding of well;	AUG 1 8 2006
2. A copy of the approved notice of intent to drill shall be posted on ear	ab drillian rin:
3. The minimum amount of surface pipe as specified below shall be se	of chilling rig. It by circulating cement to the top; in all cases sGCNSENDATEON DIVISION
through all unconsolidated materials plus a minimum of 20 feet into the	he underlying formation. WICHITA KS listrict office on plug length and placement is necessary prior to pluggling;
5. The appropriate district office will be notified before well is either plug	ged or production casing is comented in:
6. If an ALTERNATE II COMPLETION, production pipe shall be cement	ed 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. In all cases, NOTIFY district office prior to any cementing.
I hereby certify that the statements made herein are true and to the best o	f my knowledge and belief.
2 . 8/17/06	Title: VP of Operations
Date: 8/17/06 Signature of Operator or Agent:	TIDE:
	Asmember to:
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15 - 099-24076-0000	- 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	
Minimum surface pipe required 20 feet per Alt. (2)	 Notify appropriate district office 48 hours prior to workover or re-entry; Submit plugging report (CP-4) after plugging is completed;
Approved by: Lui 8-21-06	Obtain written approval before disposing or injecting salt water.
2_21_22	
This authorization expires: 2-2/107	- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
(This authorization void if drilling not started within 6 months of effective date.)	Well Not Drilled - Permit Expired
Snud date: Asset	Signature of Occurrence of Appent
Spud date:Agent:	Date:

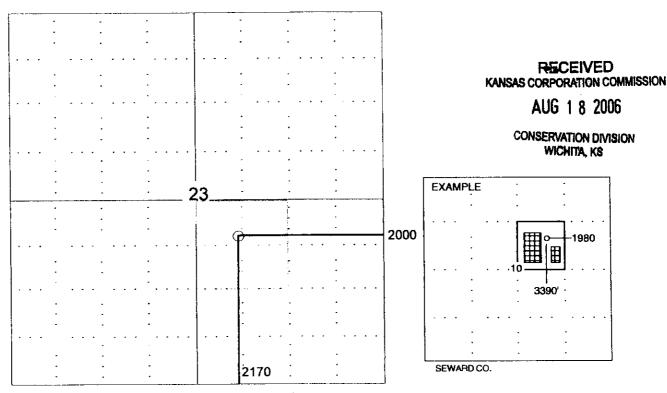
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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 - 099 - 24076-0000	Location of Well: County: LABETTE
Operator: Admiral Bay (USA) Inc.	
Lease: Thompson	2170 feet from N / ✓ S Line of Section 2000 feet from ✓ E / W Line of Section
Well Number: 10-23 EX	Sec. 23 Twp. 33S S. R. 18
Field: Mound Valley South	
Number of Acres attributable to well: 40	Is Section: 📝 Regular or 🔲 Irregular
QTR / QTR / QTR of acreage:NWSE	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 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).

Kansas Corporation Commission Oil & Gas Conservation Division

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Admiral Bay (USA	Operator Name: Admiral Bay (USA) Inc.		License Number: 33583
Operator Address: 7060 So. Tucso	n Way		
Contact Person: Steven Tedesco			Phone Number: (303) 350 - 1255
Lease Name & Well No.: Thompson 10-23 EX		Pit Location (QQQQ):	
Type of Pit:	Pit is:		
Emergency Pit Burn Pit	Proposed Existing		Sec. 23 Twp. 33S R. 18
Settling Pit	If Existing, date constructed:		2170 Feet from North / South Line of Section
Workover Pit Haul-Off Pit	Children and the second		2000 Feet from ✓ East / West Line of Section
(If WP Supply API No. or Year Drilled)	Pit capacity:	(bbls)	Labette
Is the pit located in a Sensitive Ground Water	Area? Yes		Chloride concentration:mg/l
			(For Emergency Pits and Settling Pits only)
is the bottom below ground level? Yes No	Artificial Liner?	No	How is the pit fined if a plastic liner is not used?
Pit dimensions (all but working pits): 20 Length (feet) 20 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)			
	1000-100 D		KANSAS CORPORATION COMMISSION AUG 1 8 2006 CONSERVATION DIVISION
		Depth to shallo Source of infor	west fresh waterfeet. WICHITA, KS mation:
N/A feet Depth of water well	feet	feetmeasuredwell ownerelectric logKDWR	
Emergency, Settling and Burn Pits ONLY: Drilling, Workover and Haul-Off Pits ONLY:			
Producing Formation: Type of mater		ł .	al utilized in drilling/workover: Fresh Water & Native mud
		rking pits to be utilized: Z	
Barrels of fluid produced daily:		Abandonment procedure: Evaporation and back fill	
Does the slope from the tank battery allow a flow into the pit? Yes No	Il spilled fluids to	ds to 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.			
0.44700			
8/17/06 Date		191	Signature of Applicant or Agent
KCC OFFICE USE ONLY			
Date Received: 8 18 06 Permit Number: Permit Date: 8 18 06 Lease Inspection: Yes (No			