

For KCC Use: 8-30-06
 Effective Date: 8-30-06
 District #: 2
 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 work.

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 KCC WICHITA

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

Expected Spud Date August 10 2006
 month day year

OPERATOR: License# 7116
 Name: Kantor Oil Co., Inc.
 Address: 15 W Sixth St., Suite 2601
 City/State/Zip: Tulsa, Oklahoma 74119
 Contact Person: Larry Ressler
 Phone: 620-664-0597
 CONTRACTOR: License# 32701
 Name: C & G Drilling Co.

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 KCC DISTRICT #2
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Spot East
 C SW SE Sec. 19 Twp. 22S S. R. 3 West
660 feet from N / S Line of Section
1980 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Harvey
 Lease Name: Martens Well #: 10
 Field Name: Hollow Nikkel

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Lansing - Kansas City
 Nearest Lease or unit boundary: 660

Ground Surface Elevation: 1450 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: 220 ft.
 Depth to bottom of usable water: 230 ft.
 Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 302 304
 Length of Conductor Pipe required: NA
 Projected Total Depth: 2600 ft.
 Formation at Total Depth: Lansing - Kansas City

Water Source for Drilling Operations:
 Well Farm Pond Other XXX
 DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other

If OWWO: old well information as follows:
 Operator: Kantor Oil Co
 Well Name: Martens # 10
 Original Completion Date: 5-9-68 Original Total Depth: 3396

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: 07-31-06 Signature of Operator or Agent: Larry Ressler Title: Production Superintendent

For KCC Use ONLY
 API # 15 - 079-20054-00-01
 Conductor pipe required 304 feet
 Minimum surface pipe required 304 feet per Alt. 1
 Approved by: Kut 8-25-06
 This authorization expires: 2-25-07
 (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 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: _____

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 19
 22
 3W

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 - 079-20054-00-01
Operator: Kantor Oil Co., Inc.
Lease: Martens
Well Number: 10
Field: Hollow Nikkel
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: C - SW - SE

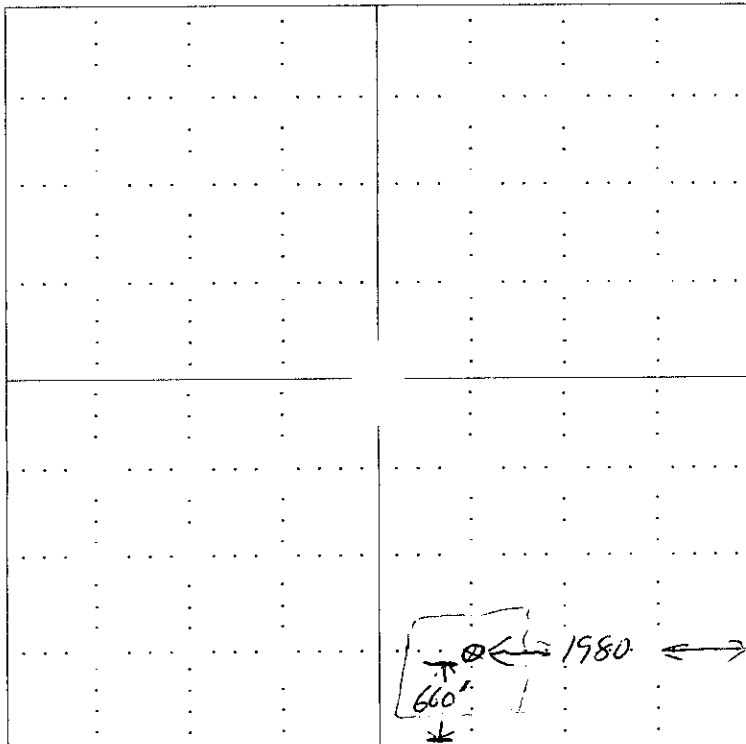
Location of Well: County: Harvey
660 feet from N / S Line of Section
1980 feet from E / W Line of Section
Sec. 19 Twp. 22S S. R. 3 East West

Is Section: Regular or Irregular

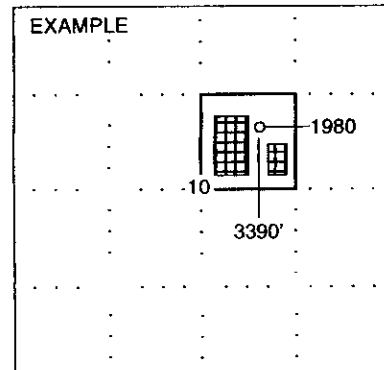
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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.)*



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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).

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

**RECEIVED
AUG 02 2006
KCC WICHITA**

Form CDP-1
April 2004
Must be Typed

Submit in Duplicate

Operator Name: Kantor Oil Co., Inc.		License Number: 7116
Operator Address: 15 W Sixth St., Suite 2601 Tulsa, OK.		
Contact Person: Larry Ressler		Phone Number: (620) 664 - 0597
Lease Name & Well No.: Martens # 10		Pit Location (QQQQ): C SW SE
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 <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: 4000 (bbls)	Sec. 19 Twp. 22S R. 3 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1980 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Harvey County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
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? Bentonite, drilling solids seal the pit
Pit dimensions (all but working pits): 80 Length (feet) 80 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.
Distance to nearest water well within one-mile of pit 2640 feet Depth of water well 150 feet		Depth to shallowest fresh water ~ 25 feet. Source of information: KHKS _____ measured _____ well owner _____ electric log _____ KDW
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: Chemical Mud Number of working pits to be utilized: 3 Abandonment procedure: Pits are allowed to dry completely and then backfilled ASAP 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.		
07-31-06 Date		<i>Larry Ressler</i> Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 8/2/06 Permit Number: _____		Permit Date: 8/25/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-079-20054-00-01

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

August 25, 2006

Mr. Larry Ressler
Kantor Oil Co., Inc.
15 W. Sixth Ste 2601
Tulsa, OK 74119

Re: Drilling Pit Application
Martens Lease Well No. 10
SE/4 Sec. 19-22S-03W
Harvey County, Kansas

Dear Mr. Ressler:

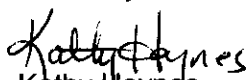
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

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) 630-4000 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,


Kathy Haynes

Environmental Protection and Remediation Department

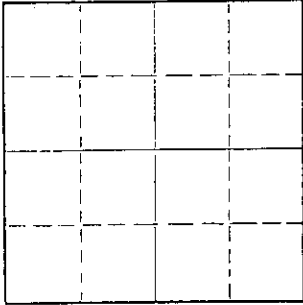
cc: File

15-079-20054-0000

WELL PLUGGING RECORD

Give All Information Completely
Make Required Affidavit
Mail or Deliver Report to:
Conservation Division
State Corporation Commission
212 No. Market
Wichita, Kansas

NORTH



Locate well correctly on above
Section Plat

Harvey County, Sec. 19 Twp 22S Rge 3 ~~XXXXX~~ (W)
Location as "NE/CNW/KSW" or footage from lines C-SW/4 SE/4
Lease Owner Kantor Oil Company
Lease Name Martens Well No. 10
Office Address 1720 First Natl. Bldg., Tulsa, Okla.
Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
Date well completed May 1, 19 68
Application for plugging filed _____ 19____
Application for plugging approved _____ 19____
Plugging commenced _____ 19____
Plugging completed May 1, 19 68
Reason for abandonment of well or producing formation Hole Dry

If a producing well is abandoned, date of last production _____ 19____
Was permission obtained from the Conservation Division or its agents before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well Hugh Scott, McPherson, Kansas
Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well _____ Feet
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
Clay		0	35	13"	35'	None
Sand		35	100	13"	65'	None
Clay & Shale		100	200	13"	100'	None
Sand		200	275	13"	75'	None
Blue Blue Shale		275	304	13"	29'	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

Filled hole to 300 ft. with mud, set bridge, cemented with 50 sacks cement. Filled hole to 40 ft. with mud, set bridge at 40 ft., cemented with 20 sacks. Two sacks cement in rathole. Hole plugging completed at 4:00 P.M., May 1, 1968 by State Plugger, Hugh Scott, McPherson, Kansas.

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STATE CORPORATION COMMISSION
MAY 6 1968
CONSERVATION DIVISION
Wichita, Kansas

(If additional description is necessary, use BACK of this sheet)
Name of Plugging Contractor BLACKSTONE DRILLING, INC.
Address Box # 455, McPherson, Kansas - 67460

STATE OF OKLAHOMA, COUNTY OF Delaware, ss.
Joe Kantor (operator) of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) Joe Kantor
1720 First National Bldg., Tulsa, Okla.
(Address)

SUBSCRIBED AND SWORN TO before me this 3rd day of May, 19 68

My commission expires 10-1-69
Calvin White
Notary Public.