

For KCC Use: 91100
 Effective Date: 3
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date September 10 2006
month day year

Spot C SE SW Sec. 24 Twp. 32 S. R. 43 East West

OPERATOR: License# 32638
 Name: Nadel and Gussman, L.L.C.
 Address: 15 E. 5th St., Suite 3200
 City/State/Zip: Tulsa, OK 74103
 Contact Person: Chuck Coday
 Phone: 918/583-3333

660 feet from N / S Line of Section
2100 feet from E / W Line of Section

Is SECTION Regular Irregular?

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

CONTRACTOR: License# 30606
 Name: Murfin Drilling Co., Inc.

County: Morton
 Lease Name: Smith Trust Well #: 1-24
 Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Upper Morrow

Nearest Lease or unit boundary: 660

Ground Surface Elevation: 3568' 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: 400 200

Depth to bottom of usable water: 400 450

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 1450

Length of Conductor Pipe required: NA

Projected Total Depth: 5250

Formation at Total Depth: Morrow

Water Source for Drilling Operations:

Well Farm Pond Other Farmers well

DWR Permit #: * (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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

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 #: _____

PRORATED, SPACED HUBBARD & GREENWOOD

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: 08/30/06 Signature of Operator or Agent: [Signature] Title: Manager of Production

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SEP 05 2006

KCC WICHITA

For KCC Use ONLY

API # 15 - 129-21789-0000

Conductor pipe required None feet

Minimum surface pipe required 470 feet per Alt. 1

Approved by: [Signature] 9-6-06

This authorization expires: 3-6-07

(This authorization void if drilling not started within 6 months of effective 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

24
32
43W

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 - 129-21789-0000
 Operator: Nadel and Gussman, L.L.C.
 Lease: Smith Trust
 Well Number: 1-24
 Field: Wildcat
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ SE _____ SW

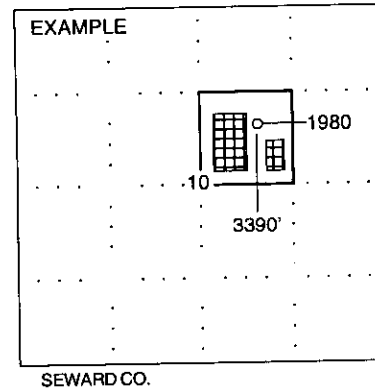
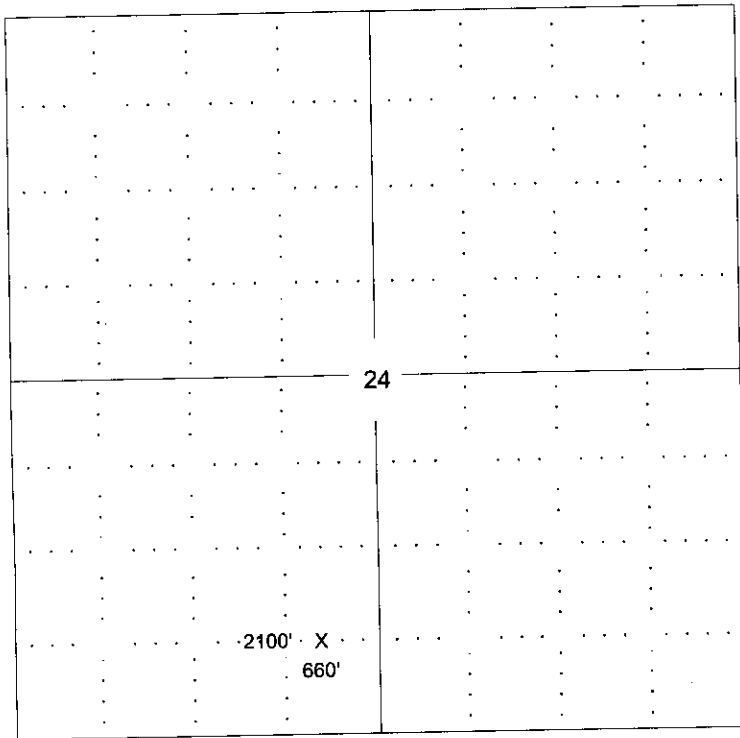
Location of Well: County: Morton
 _____ 660 feet from N / S Line of Section
 _____ 2100 feet from E / W Line of Section
 Sec. 24 Twp. 32 S. R. 43 East West

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.)*



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.
4. 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).

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 KCC WICHITA

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
 APPLICATION FOR SURFACE POND

Form GDP-1
 January 2001
 Form must be Typed

Submit in Duplicate

| | | |
|---|--|---|
| Operator Name: Nadel and Gussman, L.L.C. | | License Number: 32638 |
| Operator Address: 15 E. 5th Street, Suite 3200, Tulsa, OK 74103 | | |
| Contact Person: Chuck Coday | | Phone Number: (918) 583 - 3333 |
| Lease Name: Smith Trust 1-24 | | Pit Location: |
| Type of Pond: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn 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: 14,000 (bbls) | SW Qtr. Sec. 24 Twp. 32 R. 43 <input type="checkbox"/> E <input checked="" type="checkbox"/> W 660 Feet from N / S (circle one) Line of Section 2100 Feet from E / W (circle one) Line of Section Morton County |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: _____ mg/l <small>(For Emergency Pits and Treatment 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? Clay |
| Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) Depth from ground level to deepest point: 5 (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 N/A feet Depth of water well _____ feet | | Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR |
| Emergency, Treatment 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 pond? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Drilling and Workover Pits ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: 1 Abandonment procedure: Allow pit to evaporate and backfill w/dirt. 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 29, 2006 Date | | <i>James R. Pilon</i> Signature of Applicant or Agent |

15-109-21789-0000

| | | | |
|------------------------------|----------------------|----------------------------|---|
| KCC OFFICE USE ONLY | | | |
| Date Received: 9/5/06 | Permit Number: _____ | Permit Date: 9/5/06 | Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

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