

For KCC Use: 9-24-06
 Effective Date: _____
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
 September 1999
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

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

Expected Spud Date: 9/22/06
 month day year

OPERATOR: License# 31473
 Name: BG-5 Inc.
 Address: 3939 Ellis Road
 City/State/Zip: Rantoul, KS 66079
 Contact Person: Jimmie Patton
 Phone: 785-241-4016

CONTRACTOR: License# 6142
 Name: Town Oil Company

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> 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 #: _____

Spot East
NWSE - NW - SW Sec 35 Twp. 15 S. R. 20
2040 feet from (S) / N (circle one) Line of Section
265 feet from E / (W) (circle one) Line of Section
 Is SECTION Regular Irregular?

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

County: Franklin

Lease Name: Luckan Well #: 16

Field Name: Rantoul

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Squirrel

Nearest Lease or unit boundary: 265

Ground Surface Elevation: n/a 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: 120

Depth to bottom of usable water: 200

Surface Pipe by Alternate: 1 x 2

Length of Surface Pipe Planned to be set: 25'

Length of Conductor Pipe required: none

Projected Total Depth: 750

Formation at Total Depth: Squirrel

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. 55-101, 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. **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: 9/12/06 Signature of Operator or Agent: [Signature] Title: Pres.

For KCC Use ONLY
 API # 15 - 059-25171-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per Alt. (2)
 Approved by: WJM 9-19-06
 This authorization expires: 2-19-07
 (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.

35
15
20E

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

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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 - 059-25171-00-00
Operator: BGS INC
Lease: LUCKAN 16
Well Number: _____
Field: _____

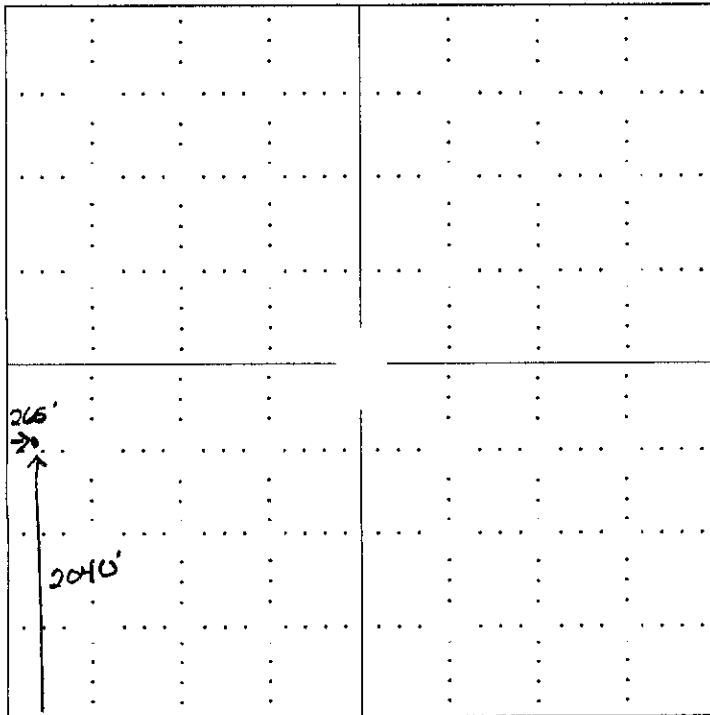
Location of Well: County: Franklin
2040 feet from S / N (circle one) Line of Section
265 feet from E / W (circle one) Line of Section
Sec. 35 Twp. 15 S. R. 20 East West

Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: SE - NW - SW
NW

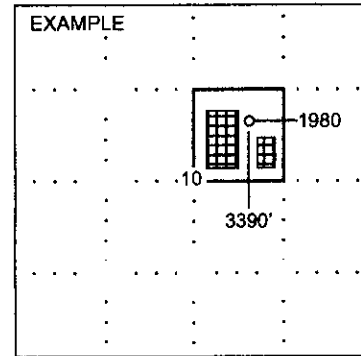
Is Section Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: ___NE ___NW ___SE ___SW

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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SEWARD CO.

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
CONSERVATION DIVISION
130 S MARKET - ROOM 2078
WICHITA KS 67202

APPLICATION FOR SURFACE POND

FORM MUST BE TYPED

SUBMIT IN DUPLICATE

OPERATOR NAME Burkdoll Bros., Inc. <u>BGS, Inc</u>		LICENSE NO. 31473
OPERATOR ADDRESS 3939 Ellis Road, Rantoul, KS 66079		
CONTACT PERSON Jimmie Patton		PHONE NUMBER (785) 241-4016
LEASE NAME <u>Luckan 16</u>	PIT IS: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing	PIT LOCATION <u>SW</u> Qtr. Sec <u>35</u> Twp <u>15</u> Rng <u>30</u> <u>EW</u>
TYPE OF POND: <input type="checkbox"/> BURN PIT <input type="checkbox"/> EMERGENCY PIT <input type="checkbox"/> TREATMENT PIT <input type="checkbox"/> WORKOVER PIT <input checked="" type="checkbox"/> DRILLING PIT (If WP Supply API No. or Year Drilled)	If existing, date constructed: _____ PIT CAPACITY: _____ (bbls)	<u>2040</u> Ft from <u>MS</u> (circle one) Line of Sec. <u>265</u> Ft from <u>EW</u> (circle one) Line of Sec. <u>Franklin</u> COUNTY
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 and Treatment Pits only)
Is Pit 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 pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <u>8</u> Length (ft) <u>12</u> Width (ft) Depth from ground level to deepest point <u>5</u> (ft)		
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 <u>3166</u> ft. Depth of water well <u>14</u> ft.	Depth to shallowest fresh water <u>11</u> feet. <u>Plugged</u> Source of information: <u>KH Kas</u> <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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: <u>Freshwater</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Pits filled as soon as well is completed.</u> 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. <u>9/12/06</u> Date		<u>[Signature]</u> Signature of Applicant or Agent
RECEIVED SEP 18 2006 KCC WICHITA		
KCC OFFICE USE ONLY		
Date Rec'd <u>9/18/06</u> Permit No. _____ Permit Date <u>9/18/06</u> Lease Inspection <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-059-25171-00-00