

For KCC Use: Effective Date: 10-24-06 District # SGA? [X] Yes [ ] No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION SEP 13 2006

Form C-1 December 2002

NOTICE OF INTENT TO DRILL LEGAL SECTION

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: October 25 2006 month day year

Spot NW NE 1/4 Sec. 23 Twp. 26 S. R. 32 East West

OPERATOR: License# 32787 Name: Kansas Natural Gas Operating, Inc. Address: P.O. Box 815 Sublette, KS 67877 Contact Person: Steve Lehning Phone: 620-675-8185

4950' feet from N / S Line of Section 2440' feet from E / W Line of Section Is SECTION Regular Irregular?

CONTRACTOR: License# 33375 Name: Cheyenne Drilling - LP

County: Finney Lease Name: Ohmes Well #: 2-A (Replace) Field Name: Hugoton - Chase Series

Well Drilled For: Oil Gas OWWO Seismic Other Well Class: Enh Rec Storage Disposal # of Holes Other Type Equipment: Mud Rotary Air Rotary Cable

Is this a Prorated / Spaced Field? Target Formation(s): Herrington - Krider - Winfield Nearest Lease or unit boundary: 330' FNL Ground Surface Elevation: 2895' feet MSL

If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth:

Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 500 560 Depth to bottom of usable water: 1000 900

Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #: 07-CONS-055-CWLE

Surface Pipe by Alternate: Length of Surface Pipe Planned to be set: Length of Conductor Pipe required: None Projected Total Depth: 2760' Formation at Total Depth: Chase - Hugoton Formation

Water Source for Drilling Operations: DWR Permit #: Will Cores be taken? 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 30, 2006 Signature of Operator or Agent: Steven M. Lehning Title: Supt.

For KCC Use ONLY API # 15 - 055-21925-0000 Conductor pipe required: None feet Minimum surface pipe required: 580 feet per Alt. Approved by: PHL 10-19-06 This authorization expires: 4-19-07 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:

23 26 324

**PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL**

Kansas Corporation Commission, Conservation Division  
 Finney State Office Building, 130 South Market, Room 2078  
 Wichita, Kansas 67202

SEP 13 2006

LEGAL SECTION

API NUMBER 15- (New Well) (Hugoton Replace)

LOCATION OF WELL: COUNTY Finney

OPERATOR Kansas Natural Gas Operating, Inc.

LEASE Ohmes #2-A (Hugoton Replace)

4950' feet from south north line of section

WELL NUMBER #2-A

2440' feet from east west line of section

FIELD Hugoton - Chase

SECTION 23 TWP 26 (S) RG 32 E/W

IS SECTION X REGULAR or IRREGULAR

NUMBER OF ACRES ATTRIBUTABLE TO WELL 640

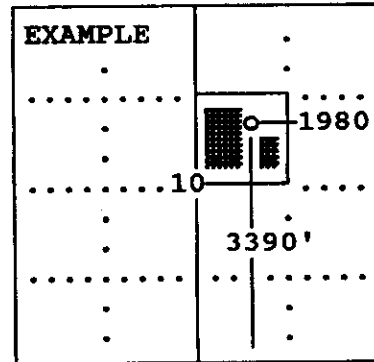
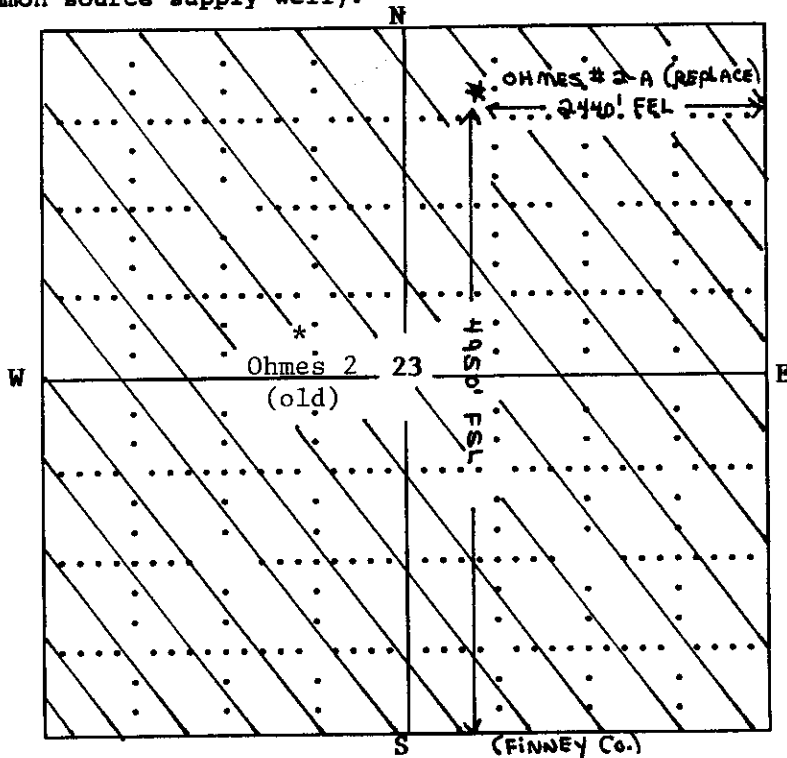
QTR/QTR/QTR OF ACREAGE NW - NE - 1/4

IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY. (check line below)

Section corner used: NE NW SE SW

(Show the location of the well and shade attributable acreage for prorated or spaced wells).  
 (Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).

15-055-21925-0000  
 07-CONS-055-CWLE



SEWARD CO.

The undersigned hereby certifies as Steve Lehning, Supt. (title) for

Kansas Natural Gas Operating, Inc. (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature Steven M. Lehning

Subscribed and sworn to before me on this 6th day of September, 2006

Kraig L. Gross  
 Notary Public

My Commission expires \_\_\_\_\_

FORM CG-8 (12/94)



MAP 226 FP

SEP 13 2006

GAS-OIL WELL LOCATION AND / OR ELEVATION

PLAT NUMBER 829061

LEGAL SECTION

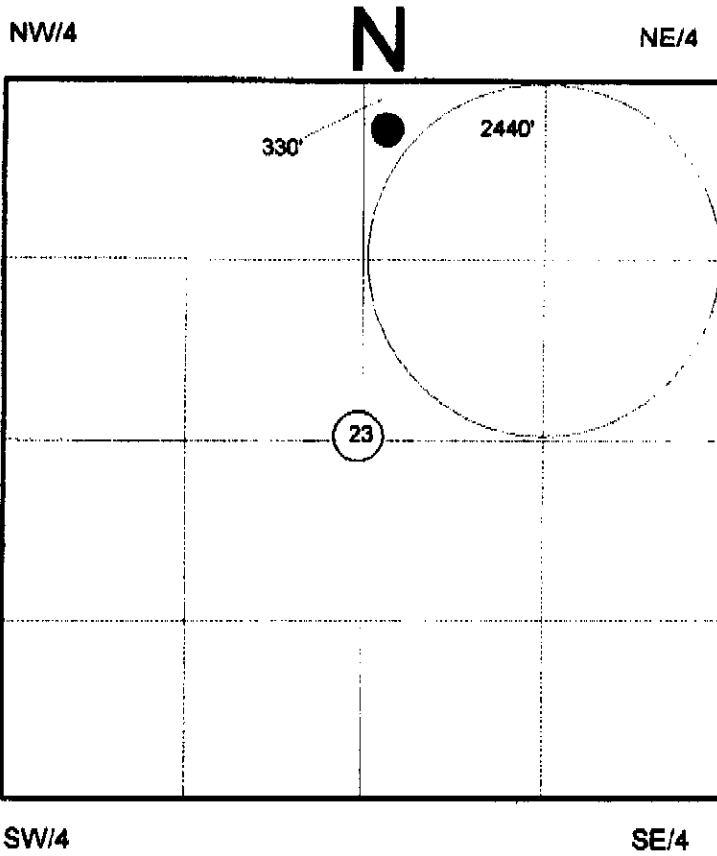
15-055-21925-0000

**Barney Rogers Dirt Contractor Inc.**



620-356-2140 OR FAX 620-356-5645

P.O. BOX 492 ULYSSES KANSAS 67880



DATE AUGUST 29, 2006

OPERATOR KANSAS NATURAL

WELL NAME OHMES # 2-A

LOCATION FINNEY 23 26S 32W  
COUNTY SEC TOW RAN

FOOTAGES & RELATIONS 330' F N L  
37° 46' 46.03" 2440' F E L  
100° 47' 15.92"

ELEVATION 2895.60 KB  
DF

AUTHORIZED BY STEVE LEHNING

DISTANCE FROM #1  
HUGOTON WELL (if appl) N/A FT.

DRIVING DIRECTIONS FROM:

TV TOWER 21 NORTH OF SUBLETTE  
4.6 EAST  
330' SOUTH INTO

SPL RWRDX

CROPS

- IRRIGATED
- DRYLAND MILO
- PASTURE

WATER WELL

- IRRIGATION 611'NW
- DOMESTIC 275'NORTH
- NONE WITHIN 600FT.

CITY WATER

- NONE
- DISTANCE \_\_\_\_\_ FT.

AIRPORT

- NONE
- DISTANCE \_\_\_\_\_ FT.

- NOTIFIED DIG-SAFE
- PLEASE NOTIFY DIG-SAFE

BILL ROGERS LD

ULYSSES DISTRICT OFFICE

This location has been very carefully staked on the ground according to the best official survey records, maps and photographs available to us, but its accuracy is not guaranteed. Review this plat and notify us immediately of any possible discrepancy.

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

SEP 13 2006

Form CDP-1  
April 2004  
Form must be Typed

APPLICATION FOR SURFACE PITEGAL

Submit in Duplicate

Operator Name: <b>Kansas Natural Gas Operating, Inc.</b>		License Number: <b>32787</b>
Operator Address: <b>P.O. Box 815, Sublette, KS 67877</b>		
Contact Person: <b>Steve Lehning</b>		Phone Number: ( <b>620</b> ) <b>675 - 8185</b>
Lease Name & Well No.: <b>Ohmes 2-A (Hugtn. Replacement)</b>		Pit Location (QQQQ): <b>NW NE 1/4</b> Sec. <b>23</b> Twp. <b>26</b> R. <b>32</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>400'</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>2330'</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Finney</b> County
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: <b>2450</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: <b>NA</b> 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? <b>Gel - Mud</b>
Pit dimensions (all but working pits): <b>40'</b> Length (feet) <b>40'</b> Width (feet) <b>N/A</b> : Steel Pits Depth from ground level to deepest point: <b>App. 3'</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>N/A</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>N/A</b>
Distance to nearest water well within one-mile of pit <b>611' NW</b> feet Depth of water well <b>N/A</b> feet		Depth to shallowest fresh water <b>500'</b> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Fresh Water - Drill Mud</b> Number of working pits to be utilized: <b>One</b> Abandonment procedure: <b>Evaporate till dry - backfill &amp; spread manure.</b> 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 30, 2006 Date		<b>Steven M. Lehning</b> Supt. Signature of Applicant or Agent

15-055-21925-0000

<b>KCC OFFICE USE ONLY</b>		<i>Normal</i>
Date Received: <b>9/13/06</b>	Permit Number: _____	Permit Date: <b>9/15/06</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No