

O.K. 10-20-06
 (CORRECTION)
 RICK HESTERMAN

For KCC Use:
 Effective Date: 10-24-06
 District #: 1
 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 well!

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

Expected Spud Date: October 25 2006
month day year

Spot: NW NE 1/4 Sec. 23 Twp. 26 S. R. 32 East West
4950' feet from N / S Line of Section
2440' feet from E / W Line of Section

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

Is SECTION Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)
 County: Finney
 Lease Name: Ohmes Well #: 2-A (Replace)
 Field Name: Hugoton - Chase Series

CONTRACTOR: License# 33375
 Name: Cheyenne Drilling - LP

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Herrington - Kinder - Winfield
 Nearest Lease or unit boundary: 330' FNL
 Ground Surface Elevation: 2895' 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: 500 560
 Depth to bottom of usable water: 1000 900

Well Drilled For: Oil Gas OWO Seismic: # of Holes Other
 Well Class: Enh Rec Storage Disposal Other (Old Well Replacement)
 Type Equipment: Mud Rotary Air Rotary Cable

Surface Pipe by Alternate: 920' ALT.#1
 Length of Surface Pipe Planned to be set: 920'
 Length of Conductor Pipe required: None
 Projected Total Depth: 2760'
 Formation at Total Depth: Chase - Hugoton Formation

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

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: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: 07-CONS-055-CWLF

* WAS: Length of surface pipe 750' Alternate 2
 IS: " " " " 920' Alternate 1

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: Steve M. Lehning Title: Supt.

For KCC Use ONLY
 API # 15 - 055-21925-0000
 Conductor pipe required: None
 Minimum surface pipe required: 920' feet per Alt.
 Approved by: 10-19-06 / 10-24-06
 This authorization expires: 4-19-07
 (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: _____

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

RECEIVED
 OCT 23 2006
 KCC WICHITA