

RECEIVED

KANSAS CORPORATION COMMISSION

Form C-1

December 2002

NOV 07 2006

Form must be Typed

Form must be Signed

Blank must be Filled

For KCC Use: Effective Date: 11-14-06 District # 3 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

CONSERVATION DIVISION WICHITA, KS

Expected Spud Date 12 month 4 day 2006 year

OPERATOR: License# 30661 Name: L & B Crude, Inc. Address: 402 W. 7th City/State/Zip: Neosho Falls, KS 66758 Contact Person: Jay E. Leedy Phone: 620-963-7303

CONTRACTOR: License# 32642 Name: Nick Brown

Spot NW SE SE NE Sec. 25 Twp. 23 S. R. 16 3750 feet from N/S 1050 feet from E/W Line of Section Is SECTION Regular Irregular?

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

County: Woodson Lease Name: Leedy Well #: 21 Field Name: LeRoy-Neosho Falls Is this a Prorated / Spaced Field? Squirrel Yes No

Target Formation(s): Squirrel Nearest Lease or unit boundary: 1050' per operator Ground Surface Elevation: 980 Est. 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: 20' Depth to bottom of usable water: 150'

Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 40' Length of Conductor Pipe required: none Projected Total Depth: 960' 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: Squirrel

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: 11-6-06 Signature of Operator or Agent: Jay E Leedy Title: President

For KCC Use ONLY API # 15 - 207-27077-000 Conductor pipe required None feet Minimum surface pipe required 40 feet per Alt. (X) 2 Approved by: Pult 11-9-06 This authorization expires: 5-9-07 (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

25 23 10E

**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. 15 207-27077000  
Operator: L & B Crude, Inc  
Lease: Leedy  
Well Number: \_\_\_\_\_  
Field: LeRoy Neosho Falls  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: \_\_\_\_\_

Location of Well: County: Woodson  
\_\_\_\_\_ feet from  N /  S Line of Section  
\_\_\_\_\_ feet from  E /  W Line of Section  
Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West

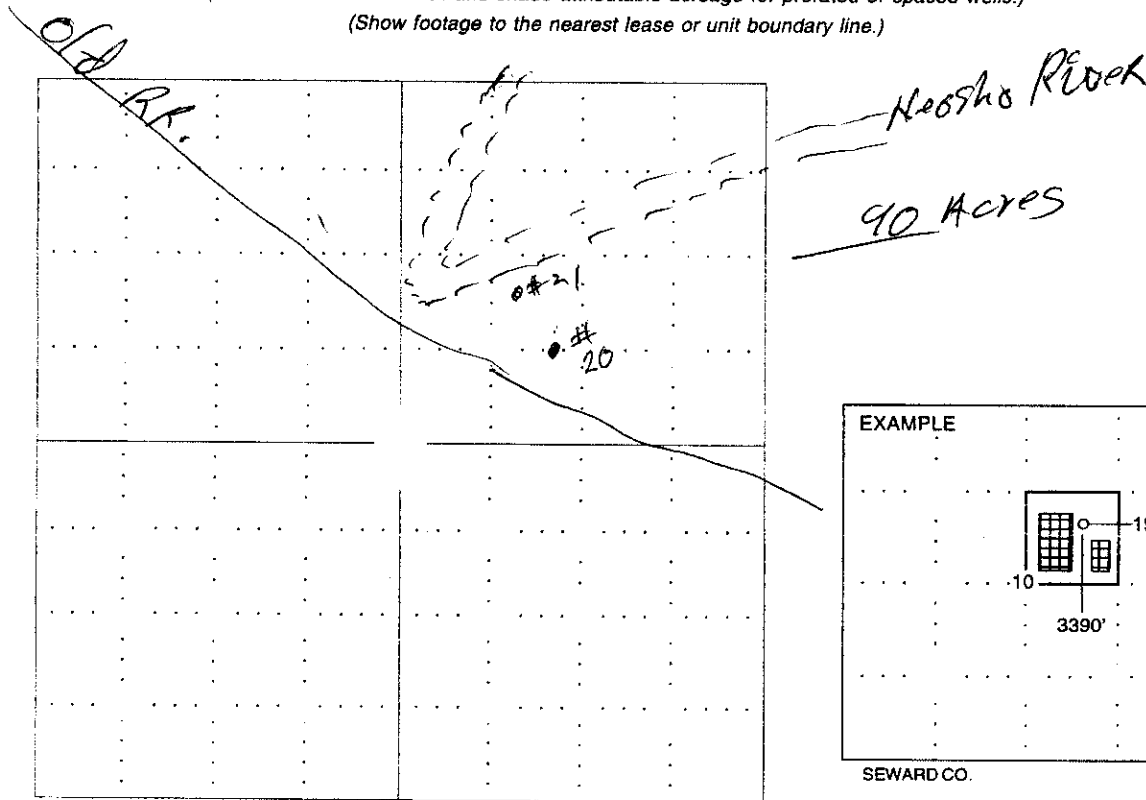
Is Section:  Regular or  Irregular

**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 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).

NOV 07 2006

Form CDP-1

April 2004

Form must be Typed

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION  
WICHITA, KS

Submit in Duplicate

Operator Name: L & B Crude, Inc		License Number: 30661
Operator Address: 402 W. 7th		
Contact Person: Jay E. Leedy		Phone Number: (620) 963-7303
Lease Name & Well No.: Leedy #21		Pit Location (QQQQ): NW SE - SE - NE -
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: 400 (bbls)	Sec. 25 Twp. 23 R. 16 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 3750 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1050 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Woodson 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 type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 40 Length (feet) 8 Width (feet)    N/A: Steel Pits 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
<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: _____ Number of working pits to be utilized: _____ Abandonment procedure: _____ 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.		
11-6-06 Date		Jay E. Leedy Signature of Applicant or Agent

15-207-27077-0220

KCC OFFICE USE ONLY

Date Received: 11/7/06    Permit Number: \_\_\_\_\_    Permit Date: 11/7/06    Lease Inspection:  Yes     No