For KCC Use: 11-19-06
Effective Date: 24
District #
SGA? X 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

| Event of Court Colo | ber 15, 2006 | | 04 | East |
|---|---|--|--|--|
| Expected Spud Date | month day | year | Spot NW NE Sec. 12 Twp. 11 | L |
| | _ | yuu | | |
| OPERATOR: License# 30537 | <u> </u> | | 223. 330 per quently feet from V N / 2411 feet from V E / | S Line of Section |
| Name. Venture Resources, Inc. | | | | J W Line of Section |
| Address: P.O. Box 101234 | | | Is SECTION Regular Irregular? | |
| City/State/Zip: Denver, CO 802 | :50 | | (Note: Locate well on the Section Plat on re | overse side) |
| Contact Person: Ron Mackey | | | County: Ellis | |
| Phone: 303-722-2899 | | | Lease Name: Kempe South | Well #: A-12 |
| 2246 | na 🗾 | | Field Name: Bemis-Shutts | |
| CONTRACTOR: License# 3349 | 33 | | Is this a Prorated / Spaced Field? | Yes 🗸 No |
| Name: American Eagle Drilling | ig, LLC | | Target Formation(s): Arbuckle | |
| M-II Della d Fore | Well Class 3 | Time Equipments = | Nearest Lease or unit boundary: 328 | > |
| Well Drilled For: | | Type Equipment: | Ground Surface Elevation: 1869.1' | feet MSL |
| Oil V Enh Rec | ✓ Infield ✓ | Mud Rotary | Water well within one-quarter mile: | Yes No |
| ∐Gas ∐Storage | Pool Ext. | Air Rotary | Public water supply well within one mile: | Yes V No |
| OWWO Disposal | Wildcat | Cable | Depth to bottom of fresh water: 290 | |
| Seismic;# of Holes | t Other | | Depth to bottom of usable water: 580' | |
| Other | | | Surface Pipe by Alternate: 1 | |
| If OWWO: old well information a | ne follows: | | Length of Surface Pipe Planned to be set: 210' | |
| _ | | | Length of Conductor Pipe required: NA | |
| · | | | Projected Total Depth: 3500' | |
| Well Name: | | | Formation at Total Depth: Arbuckle | |
| Original Completion Date: | Original | lotal Depth: | Water Source for Drilling Operations: | |
| Directional, Deviated or Horizont | tal wellbore? | Yes ✓ No | ✓ Well Farm Pond Other | |
| If Yes, true vertical depth: | | | DWR Permit #: | |
| Bottom Hole Location: | | | (Note: Apply for Permit with DWR | 71, ~ |
| KCC DKT #: | | | Will Cores be taken? | Yes ✓ No |
| | | | If Yes, proposed zone: | 1,00 |
| | | | il les, proposed zone. | RECEIVED |
| | | AFFI | DAVIT | - CLIVED |
| The undersigned hereby affirms | s that the drilling, co | ompletion and eventual pl | ugging of this well will comply with K.S.A. 55 et. seq. | SEP / R 2008- |
| · · · · · · · · · · · · · · · · · · · | | the will be made | | 2.000 |
| It is agreed that the following m | ninimum requiremen | nts will be met: | | |
| • | • | | 4 | 1001110 |
| Notify the appropriate dis A copy of the approved n | strict office <i>prior</i> to notice of intent to dri | spudding of well; rill shall be posted on eac | sh drilling rig; | CC WICHITA |
| Notify the appropriate dis A copy of the approved n The minimum amount of | strict office <i>prior</i> to notice of intent to dri surface pipe as spe | spudding of well; rill shall be posted on eac ecified below shall be se | t by circulating cement to the top; in all cases surface | CC WICHITA pipe shall be set |
| Notify the appropriate dis A copy of the approved r The minimum amount of through all unconsolidate | strict office prior to notice of intent to dri surface pipe as spe ed materials plus a r | spudding of well; rill shall be posted on eac ecified below shall be se minimum of 20 feet into th | t by circulating cement to the top; in all cases surface be underlying formation. | |
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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

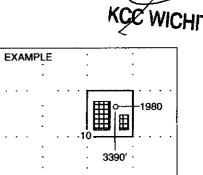
if the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 051-25593-0000 | Location of Well: County: Ellis |
|--|--|
| Operator: Venture Resources, Inc. | 928 330feet from ✓N / S Line of Section |
| Lease: Kempe South | 2411 feet from VE / W Line of Section |
| Well Number: A-12 | Sec. 12 Twp. 11 S. R. 18 East 🗸 Wes |
| Field: Bemis-Shutts | <u></u> |
| Number of Acres attributable to well: 10 | ls Section: 📝 Regular or 📗 Irregular |
| QTR / QTR / QTR of acreage: NW - NW - NE | 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.)

| | <u> </u> |
|---------------------------------------|---------------------------------------|
| | 2411 |
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NOTE: In all cases locate the spot of the proposed drilling locaton.



SEWARD CO.

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 Wichita
- 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).

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: Venture Resources, Inc. | | | License Number: 30537 |
|---|--------------------------------|--|---|
| Operator Address: P.O. Box 101 | | er CO 80 | 0250 |
| Contact Person: Ron Mackey | | | Phone Number: (303) 722 - 2899 |
| Lease Name & Well No.: Kempe A-12 | | | Pit Location (QQQQ): |
| Type of Pit: | Pit is: | | <u>NW _ NE</u> |
| Emergency Pit Burn Pit | ✓ Proposed Existing | | Sec. 12 _Twp. 11 _R. 18 East |
| Settling Pit | If Existing, date constructed: | | 323 330 Feet from North / South Line of Section |
| Workover Pit Haul-Off Pit (If WP Supply API No. or Year Drilled) | Pit capacity: | | 2411 Feet from ✓ East / West Line of Section |
| (ii Wr Supply Art No. or feat Diffied) | 1000 | (bbls) | Ellis County |
| Is the pit located in a Sensitive Ground Water | Area? ✓ Yes | No | Chloride concentration: mg/l |
| Is the bottom below ground level? | Artificial Liner? | | (For Emergency Pits and Settling Pits only) How is the pit lined if a plastic liner is not used? |
| Yes No | Yes 🗸 | No | Natural Clays and Native Mud |
| Pit dimensions (all but working pits): | 00 Length (fr | net) 50 | |
| · · | om ground level to de | _ | (feet) |
| If the pit is lined give a brief description of the | | | edures for periodic maintenance and determining |
| material, thickness and installation procedure |) . | illier integrity, i | ncluding any special monitoring. |
| l NA | | NA | |
| | | INA | 3EP 26 2006 |
| | | INA | KCE WICHTA |
| | of git | | KCC WICHITA |
| Distance to nearest water well within one-mile | • | Depth to shallo | , 1 |
| | e of pit | Depth to shallo | |
| Distance to nearest water well within one-mike 4500 feet Depth of water well Emergency, Settling and Burn Pits ONLY: | 60 feet | Depth to shalld Source of informeast Drilling, Work | mation: uredwell owner electric log KDWR over and Haul-Off Pits ONLY: |
| Distance to nearest water well within one-mik 4500 feet Depth of water well | 60 feet | Depth to shalld Source of information measu Drilling, Work | mation: uredwell owner electric log✓_KDWR over and Haul-Off Pits ONLY: al utilized in drilling/workover: Native Clays |
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CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

November 14, 2006

Mr. Ron Mackey Venture Resources, Inc. PO Box 101234 Denver, CO 80250

RE: Drilling Pit Application

Kempe South Lease Well No. A-12

NE/4 Sec. 12-11S-18W Ellis County, Kansas

Dear Mr. Mackey:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased. **Please keep all pits away from any draws.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Kathy Haynes

Department of Environmental Protection and Remediation

cc: File

15-051-25593-0000

VENTURE RESOURCES, INC. P.O. BOX 101234

DENVER, CO. 80250 303-722-2899

KANSAS CORPORATION COMMISSION

NOV 1 4 2006

CONSERVATION DIVISION WICHITALKS

MEMO:

TO: Rick Hesterman

Kansas Corporation Commission

Subject: Change of location on Kempe So. A-12

Dear Rick

Please note that the location on our Kempe So. 12 has been changed,

New location is NW NW NE Sec. 12-11S-18W, Ellis CO. 330' FNL X 2411' FEL

Note that this location reflects a change from the original location of 223' FNL to 330' FNL.

Thank you,

Ron Mackey