

Unitization Enclosed

For KCC Use: Effective Date: 11-19-06 District # 4 SGA? [] Yes [X] No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date 11 month 30 day 2006 year

OPERATOR: License# 6627 Name: Prospect Oil & Gas, Inc. Address: P.O. Box 837 City/State/Zip: Russell, Kansas 67665 Contact Person: Brad Hutchinson Phone: 785-483-6266

CONTRACTOR: License# 9431 Name: Vonfeldt Drilling, Inc.

Well Drilled For: [X] Oil [] Gas [] OWWO [] Seismic: # of Holes [] Other Well Class: [X] Infield [] Pool Ext. [] Wildcat [] Other Type Equipment: [X] Mud Rotary [] Air Rotary [] Cable

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

Directional, Deviated or Horizontal wellbore? [] Yes [X] No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Declaration of Unitization Attached.

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: 11/11/2006 Signature of Operator or Agent: Sherry Payne Title: Agent

For KCC Use ONLY API # 167-23397-0000 Conductor pipe required None feet Minimum surface pipe required 200 feet per Alt. X2 Approved by: 11/11/06 This authorization expires: 5-14-07 (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent:

Spot 25'N + 80'E N/2 NE NE SW Sec. 32 Twp. 14 S. R. 15 [] East [X] West 2500 feet from [] N / [X] S Line of Section 2890 feet from [X] E / [] W Line of Section

Is SECTION [X] Regular [] Irregular? County: Russell Lease Name: Legleiter Well #: 1 Field Name: Gorham

Is this a Prorated / Spaced Field? [] Yes [X] No Target Formation(s): LKC / Arbuckle Nearest Lease or unit boundary: 250 Ground Surface Elevation: 1908 feet MSL

Water well within one-quarter mile: [] Yes [X] No Public water supply well within one mile: [] Yes [X] No Depth to bottom of fresh water: 250' 180' Depth to bottom of usable water: 400'

Surface Pipe by Alternate: [] 1 [X] 2 Length of Surface Pipe Planned to be set: 270' Length of Conductor Pipe required: -0- Projected Total Depth: 3300

Formation at Total Depth: Arbuckle Water Source for Drilling Operations: [] Well [X] Farm Pond [] Other DWR Permit #:

(Note: Apply for Permit with DWR []) Will Cores be taken? [] Yes [X] No If Yes, proposed zone:

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- 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

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32 14 15W

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 - 167-23397-0000
 Operator: Prospect Oil & Gas, Inc.
 Lease: Legleiter
 Well Number: 1
 Field: Gorham
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NE - NE - SW

Location of Well: County: Russell
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. 32 Twp. 14 S. R. 15 East West

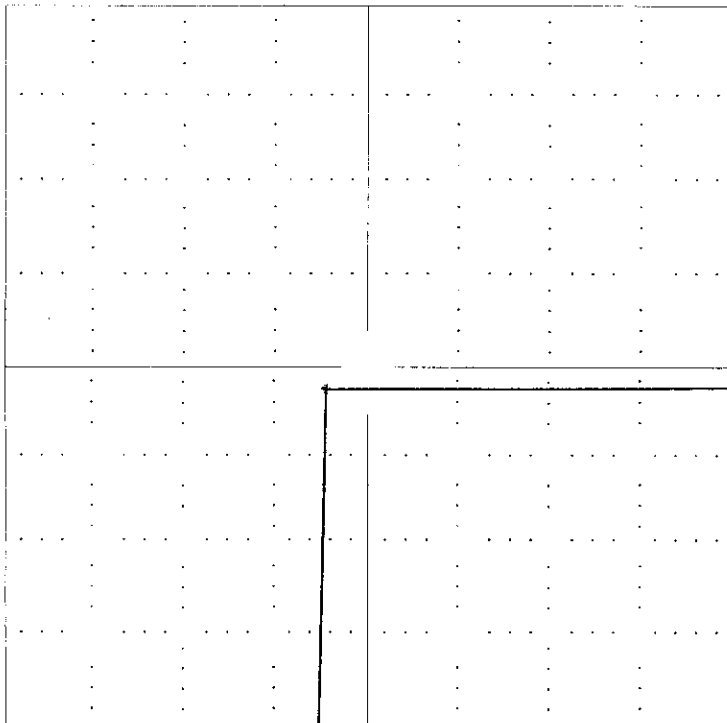
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

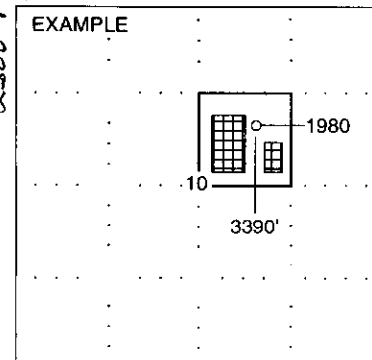
Section corner used: NE NW SE SW

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.)*



2500' FSL



NOTE: In all cases locate the spot of the proposed drilling locaton.

2890' FEL


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
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Prospect Oil & Gas, Inc.		License Number: 6627
Operator Address: P.O. Box 837, Russell, Kansas 67665		
Contact Person: Brad Hutchinson		Phone Number: (785) 483 - 6266
Lease Name & Well No.: Legleiter #1		Pit Location (QQQQ): 25' N 1/4 80'E N/2 NE NE SW
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: 380 (bbls)	Sec. 32 Twp. 14S R. 15 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2500 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2890 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Russell County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Native Mud
Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) N/A : Steel Pits Depth from ground level to deepest point: 6 (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. <div style="text-align: right;">RECEIVED SEP 26 2006 KCC WICHITA</div>
Distance to nearest water well within one-mile of pit N/A feet Depth of water well _____ feet	Depth to shallowest fresh water 250 feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ electric log _____ KDWR	15-107-23397-0050
Emergency, Settling 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 pit? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh Mud Number of working pits to be utilized: 3 Abandonment procedure: Allow to dry and backfill 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. <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> 11/11/2006 Date </div> <div style="text-align: center;">  Signature of Applicant or Agent </div> <div style="text-align: right;"> RECEIVED NOV 13 2006 KCC WICHITA </div> </div>		
KCC OFFICE USE ONLY		
Date Received: 11/13/06 Permit Number: _____ Permit Date: 11/14/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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