For KCC Use: 11-21-06
Effective Date: 3
SGA? Yes No For KCC Use:

Kansas Corporation Commission OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

| Must be approved by KCC five | e (5) days prior to commencing well | DIAIRS MUSI DE FIIIEG |
|--|--|--|
| Expected Spud Date 11/20/06 | Spot | ✓ Foot |
| month day year | se ' sw nw Sec. 10 Twp. 24 | |
| 32965 | | S. R. West S. Line of Section |
| OPERATOR: License# 32955 Name: Kenneth & Regina Laymon, LLC | 1200 F | W Line of Section |
| 1998 Squirrel Road | Is SECTION ✓ RegularIrregular? | VV Line of Section |
| Address: City/State/Zip: Neosho Falls, KS 66758 | | |
| Contact Person: Kenneth Laymon | (Note: Locate well on the Section Plat on rec County: Woodson | rerse side) |
| Contact Person: Kenneth Laymon Phone: 620-963-2495 | Lease Name: Nusz | 15-06 |
| Priorie: | Field Name: Vernon | Well #: 10 00 |
| CONTRACTOR: License# 5661 | | : 14 |
| Name: Kelly Down Drilling Co., Inc | Is this a Prorated / Spaced Field? Target Formation(s): Squirrel | Yes ✓ No |
| | Nearest Lease or unit boundary: 165 | |
| Well Drilled For: Well Class: Type Equipment: | | feet MSL |
| Oil 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: 125' | les A Mo |
| Seismic; # of Holes Other | Depth to bottom of usable water: 150° | |
| Other | Surface Pipe by Alternate: 1 2 | |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: 40' | |
| Operator: | Length of Conductor Pipe required: none | |
| Well Name: | Projected Total Depth: 1150 | |
| Original Completion Date:Original Total Depth: | Formation at Total Depth: Squirrel | |
| <u> </u> | Water Source for Drilling Operations: | |
| Directional, Deviated or Horizontal wellbore? | | |
| If Yes, true vertical depth: | DWR Permit #: | |
| Bottom Hole Location: | (Note: Apply for Permit with DWR | 1) |
| KCC DKT #: | Will Cores be taken? | Yes √ No |
| | If Yes, proposed zone: | ·— — |
| | | - |
| | IDAVIT | |
| The undersigned hereby affirms that the drilling, completion and eventual p | lugging of this well will comply with K.S.A. 55 et. seq. | |
| It is agreed that the following minimum requirements will be met: | | |
| Notify the appropriate district office <i>prlor</i> to spudding of well; A copy of the approved notice of intent to drill <i>shall be</i> posted on ea. The minimum amount of surface pipe as specified below <i>shall be se</i> through all unconsolidated materials plus a minimum of 20 feet into the lift the well is dry hole, an agreement between the operator and the 5. The appropriate district office will be notified before well is either plug if an ALTERNATE if COMPLETION, production pipe shall be cement Or pursuant to Appendix "B" - Eastern Kansas surface casing order must be completed within 30 days of the spud date or the well shall | et by circulating cement to the top; in all cases surface p the underlying formation. district office on plug length and placement is necessary aged or production casing is cemented in; ted from below any usable water to surface within 120 d #133,891-C, which applies to the KCC District 3 area, a | prior to plugging; Bys of spud date. alternate II cementing |
| hereby certify that the statements made herein are true and to the best o | f my knowledge and belief. | , |
| /) | | |
| Date: 11/13/06 Signature of Operator or Agent: Segue | e Jaymon Title: <u>Got</u> | |
| U | Remember to: | |
| For KCC Use ONLY | - File Drill Pit Application (form CDP-1) with Intent to Dr | ill: |
| API # 15 . 207-2 7087-0000 | - File Completion Form ACO-1 within 120 days of spuc | |
| Conductor pipe required None feet | - File acreage attribution plat according to field prorati | |
| *** | - Notify appropriate district office 48 hours prior to work | * ' |
| · · · · · · · · · · · · · · · · · · · | Submit plugging report (CP-4) after plugging is comp Obtain written approval before disposing or injecting | The state of the s |
| Approved by: <u>Pt# 11-16-06</u> | - Obtain written approval before disposing or injecting | |
| This authorization expires: 576-07 | If this permit has expired (See: authorized expiration check the box below and return to the address below | |
| (This authorization void if drilling not started within 6 months of effective date.) | | RECEIVED. |
| | Well Not Drilled - Permit Expired | I/EACIA FD |
| Spud date:Agent: | Signature of Operator or Agent: | NOV 1 8 2006 3 |
| | Date: | |
| Mail to: KCC - Conservation Division, 130 | S. Market - Room 2078, Wichita, Kansas 67202 | KCC WICHIT |

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

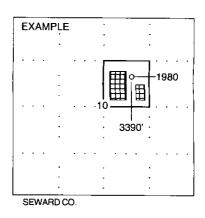
Plat of acreage attributable to a well in a prorated or spaced field

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 - 27087-000 | Location of Well: County: Woodson |
|--|--|
| Operator: Kenneth & Regina Laymon, LLC | 3090 feet fromN / 🗸 S Line of Section |
| Lease: Nusz | 4290 feet from \checkmark E / \checkmark W Line of Section |
| Well Number: 15-06 Field: Vernon | Sec. 10 Twp. 24 S. R. 16 VEast Wes |
| Number of Acres attributable to well: | ls Section: ✓ Regular or ☐ Irregular |
| QTR / QTR / QTR of acreage:sesw | 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.)

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

In plotting the proposed location of the well, you must show:

- 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: (C0-7 for oil wells; CG-8 for gas wells).

KCC WICHITA

RECEIVED

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: Kenneth & Regina Laymon, LLC | | License Number: 32955 | | | |
|--|---|----------------------------------|---|--|--|
| Operator Address: 1998 Squirrel Road, Neosho Falls, KS 66758 | | | | | |
| Contact Person: Kenneth Laymon | | Phone Number: (620) 963 - 2495 | | | |
| Lease Name & Well No.: Nusz #15-06 | 3 | | Pit Location (QQQQ): | | |
| Type of Pit: | Pit is: | | SE SW NW NW | | |
| Emergency Pit Burn Pit | ✓ Proposed Existing | | Sec10 _{Twp} _24 _R 16 _F East West | | |
| Settling Pit | If Existing, date constructed: | | 3090 Feet from North / 🗸 South Line of Section | | |
| Workover Pit Haul-Off Pit | Pit capacity: | | Feet from 🗹 East / 📋 West Line of Section | | |
| (If WP Supply API No. or Year Drilled) | 240 | (bbis) | Woodson County | | |
| Is the pit located in a Sensitive Ground Water | Is the pit located in a Sensitive Ground Water Area? Yes V No | | Chloride concentration: mg/l | | |
| | | | (For Emergency Pits and Settling Pits only) | | |
| is the bottom below ground level? | Artificial Liner? ☐ Yes | No | How is the pit lined if a plastic liner is not used? Native Clay | | |
| I, | | | | | |
| Pit dimensions (all but working pits):5 | | _ | | | |
| Depth fr | om ground level to de | epest point: * | (feet) | | |
| If the pit is lined give a brief description of the material, thickness and installation procedure | No. | | dures for periodic maintenance and determining ncluding any special monitoring. | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Distance to nearest water well within one-mile of pit Depth to shallo Source of infor | | west fresh waterfeet. | | | |
| NA feet Depth of water well | , | | ıredwell owner electric log KDWR | | |
| Emergency, Settling and Burn Pits ONLY: | | Drilling, Work | kover and Haul-Off Pits ONLY: | | |
| Producing Formation: | <u> </u> | Type of materia | ial utilized in drilling/workover: drilling gel | | |
| Number of producing wells on lease: Number of wor | | | king pits to be utilized: one | | |
| Barrels of fluid produced daily: Abandonment | | procedure: backfill with dirt | | | |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must | | 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. | | | | | |
| | |) (| | | |
| 11/13/06 Legia Laymon Agt Signature of Applicant or Agent | | | | | |
| Date '/ Signature of Applicant or Agent | | | | | |
| KCC OFFICE USE ONLY | | | | | |
| Date Received: ///// Permit Number: Permit Date: //// Lease Inspection: Yes X No | | | | | |
| · . | | | KEVEIVEU | | |

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