

For KCC Use: 11-22-06
Effective Date: 2
District # 2
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 November 20, 2006
month day year

OPERATOR: License# 30253
Name: Cyclone Petroleum, Inc.
Address: 1030 W. Main Street
City/State/Zip: Jenks, Oklahoma 74037
Contact Person: James Haver
Phone: (918) 291-3200

CONTRACTOR: License# 32854
Name: Gulick Drilling Company, Inc.

Well Drilled For: ☒ Oil ☐ Gas ☐ OWWO ☐ Seismic; # of Holes ☐ Other
☐ Enh Rec ☐ Storage ☐ Disposal
Well Class: ☒ Infield ☐ Pool Ext. ☐ Wildcat ☐ Other
Type Equipment: ☒ 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 ☒ No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Table I, Appendix A exception granted.

Spot NE SE NE Sec. 20 Twp. 34 S. R. 2 ☒ East ☐ West
3630 feet from ☐ N / ☒ S Line of Section
330 feet from ☒ E / ☐ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Sumner
Lease Name: Skibbe Well #: 20-2
Field Name: Ashton Southeast

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Cleveland

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: n/a 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: 150'

Depth to bottom of usable water: 230'

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor Pipe required: none

Projected Total Depth: 3,250'

Formation at Total Depth: Cleveland

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: _____

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 **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: November 15, 2006 Signature of Operator or Agent: Danna Thanda Title: Agent

For KCC Use ONLY

API # 15 - 191-22495-022

Conductor pipe required None feet

Minimum surface pipe required 250 feet per Alt. 1

Approved by: putt 11-17-06

This authorization expires: 5-17-07

(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

20
34
2E

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW*Plat of acreage attributable to a well in a prorated or spaced field*

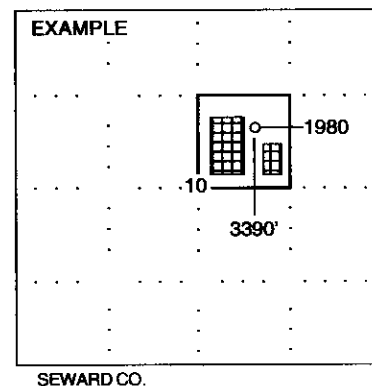
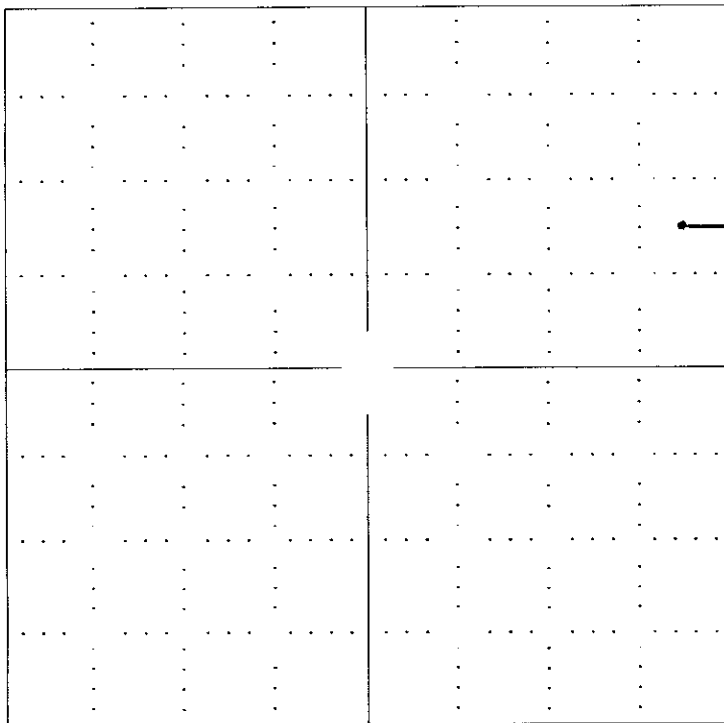
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 191-22495-0000Operator: Cyclone Petroleum, Inc.Lease: SkibbeWell Number: 20-2Field: Ashton Southeast

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: NE - SE - NE

Location of Well: County: Sumner
 3630 _____ feet from ☐ N / ☒ S Line of Section
 330 _____ feet from ☒ E / ☐ W Line of Section
 Sec. 20 Twp. 34 S. R. 2 ☒ 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).

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: Cyclone Petroleum, Inc.		License Number: 30253	
Operator Address: 1030 W. Main Street, Jenks, OK 74037			
Contact Person: James Haver		Phone Number: (913) 291 - 3200	
Lease Name & Well No.: Skibbe 20-2		Pit Location (QQQQ): NE - SE - NE - Sec. 20 Twp. 34 R. 2 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 3630 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 330 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Sumner County	
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 (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: Pit capacity: 500 (bbls)		
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
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? sealed with bentonite	
Pit dimensions (all but working pits): 60 Length (feet) 60 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 4 (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 3597 feet Depth of water well 43 feet		Depth to shallowest fresh water 40 feet. Source of information: KHKGJ 6 _____ measured _____ well owner _____ electric log _____ KDWR	
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: chemical mud Number of working pits to be utilized: 4 Abandonment procedure: let 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.		RECEIVED KANSAS CORPORATION COMMISSION NOV 15 2006 CONSERVATION DIVISION WICHITA, KS	
November 15, 2006 Date		Donna Shanda Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: 11/15/06 Permit Number: _____ Permit Date: 11/15/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

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

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

November 17, 2006

Mr. James C. Haver
Cyclone Petroleum, Inc.
1030 W. Main
Jenks, OK 74037

RE: Exception to Table 1, Appendix A Minimum Conductor Casing Requirement for the Skibbe #20-2, 3630' FSL & 330' FEL Sec. 20-T34S-R2E, Sumner County, Kansas.

Dear Mr. Haver,

The Kansas Corporation Commission (KCC) has received your request dated November 15, 2006 for an exception to the Table 1, Appendix A conductor pipe requirements for the referenced well. From your request, KCC understands that Cyclone Petroleum, Inc. requests an exception to the required installation of 40 to 60 feet (unconsolidated plus 20 feet) of 12" I.D. conductor casing as required in Appendix A of Table 1.

Cyclone Petroleum, Inc. proposes to set 250' of surface casing. In support of their request, Cyclone Petroleum Inc. cites the Skibbe 20-1, which is currently being drilled 660 south of the proposed location. Cyclone petroleum reports that no lost circulation or unconsolidated zones were encountered in the Skibbe 20-1 above the required surface casing depth of 250 feet.

After review of this matter by technical staff, and exception is granted to Appendix A, Table 1 Minimum Surface Casing Requirements for the Skibbe #20-2 with the following stipulations:

1. A sufficient length of conductor pipe shall be on hand at the drilling site. If unconsolidated material is encountered, conductor pipe shall be installed. If unconsolidated material is not encountered, the minimum required surface pipe shall be installed.
2. Surface casing will be set and cemented from 250 feet back to surface prior to any drilling below 260 feet.
3. In the event the well is dry and no production pipe has been cemented in-place, plugging will be performed according to KCC rules per KCC District #2 requirements.

Sincerely,



M. L. Korphage
Director

cc: Doug Louis - Dist #2