

SKID RIG

For KCC Use: Effective Date: 11-25-06 District #: 3 SGA? Yes 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: November 20, 2006

Spot W/2 SE SW Sec. 14 Twp. 31 S. R. 17 East 650 feet from N / S Line of Section 1775 feet from E / W Line of Section

OPERATOR: License# 5150 Name: Colt Energy, Inc. Address: P O Box 388 Inla, KS 66749 Contact Person: Dennis Korshner Phone: 620-365-3111

Is SECTION Regular Irregular? (Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 33072 Name: Well Refined Drilling

County: Labette Lease Name: Bonar Well #: 14-14A Field Name: Coffeyville-Cherryvale

Well Drilled For: Oil Gas QWO Seismic Other Well Class: Enh Rec Storage Disposal Infield Pool Ex Wildcat Other Type Equipment: Mud Rotary Air Rotary Cable

Is this a Prorated / Spaced Field? Target Formation(s):

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

Nearest Lease or unit boundary: 390 Ground Surface Elevation: 803 feet MSL Water well within one-quarter mile: Public water supply well within one mile:

Directional, Deviated or Horizontal wellbore? Yes No

Depth to bottom of fresh water: 25 Depth to bottom of usable water: 200 Surface Pipe by Alternate: 1 2

If Yes, true vertical depth:

Length of Surface Pipe Planned to be set: 20 Length of Conductor Pipe required: none Projected Total Depth: 1200

Bottom Hole Location:

Formation at Total Depth: Mississippian Water Source for Drilling Operations: Well Farm Pond Other X

KCC DKT #:

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.

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NOV 20 2006

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.

CONSERVATION DIVISION WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: Nov. 20, 2006 Signature of Operator or Agent: Jim Sturgeon Title: Manager of Geology

For KCC Use ONLY API # 15 - 099-24163-00-00 Conductor pipe required NONE feet Minimum surface pipe required 20 feet per Alt. X(2) Approved by: WHTM 11-20-06 This authorization expires: 5-20-06 (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:

14 31 17E

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

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 - 125-31287 099-24163-00-00
Operator: Colt Energy, Inc.
Lease: Bonar
Well Number: 14-14A
Field: Colfeyville-Cherryvale
Number of Acres attributable to well: 160
QTR / QTR / QTR of acreage: W/2 - SE - SW

Location of Well: County: Labette
650 feet from N / S Line of Section
1775 feet from E / W Line of Section
Sec. 14 Twp. 31 S. R. 17 East West

Is Section: Regular or Irregular

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

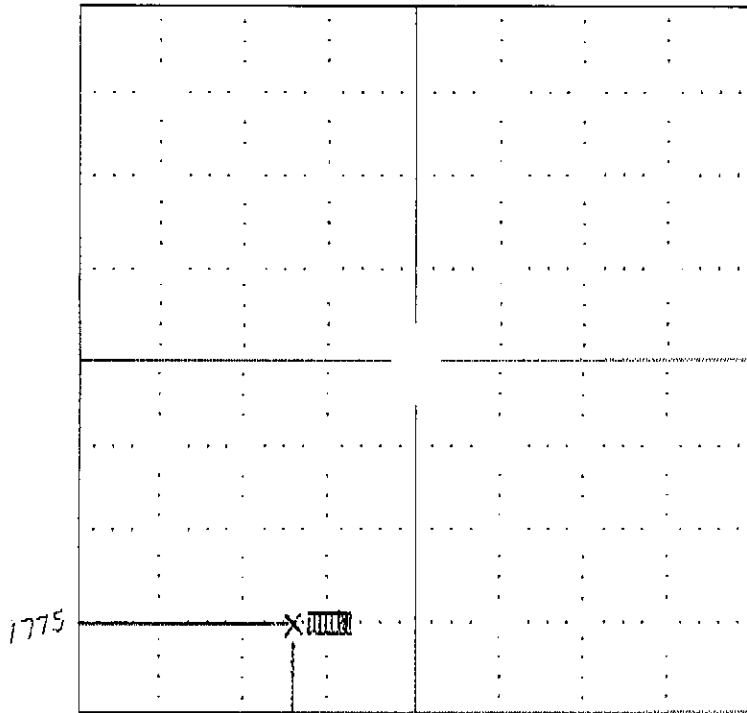
Section corner used: NE NW SE SW

USING OLD AN PERMIT 099-24117-0000

PLAT

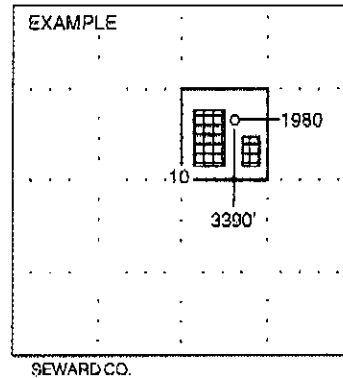
(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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

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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 COP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: COLT ENERGY, INC		License Number: 5150	
Operator Address: P O BOX 388, IOLA, KS 66749			
Contact Person: DENNIS KERSHNER		Phone Number: (620) 365 3111	
Lease Name & Well No.: BONAR 14-14		Pit Location (OOOO): SW SE 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: _____ (bbls)	Sec. 14 Twp. 31 R. 17 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1775 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section LABETTE 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 CLAY SOIL			
Pit dimensions (all but working pits): 30 Length (feet) 15 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.	
		RECEIVED KANSAS CORPORATION COMMISSION NOV 20 2006 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit NONE KNOWN feet Depth of water well _____ feet		Depth to shallowest fresh water UNKNOWN feet. Source of information: _____ 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: NATIVE SOIL Number of working pits to be utilized: 1 Abandonment procedure: PUSH IN _____ 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.			
Date: 9-27-06		Signature of Applicant or Agent: <i>Shirley Stotler</i>	
KCC OFFICE USE ONLY			
Date Received: 10/2/06 Permit Number: _____		Permit Date: 10/2/06 Lease Inspection: RECEIVED	

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

OCT - 2 2006

KCC WICHITA

15-099-24163-00-06
45-099-5117-0000