

For KCC Use: 12-17-06  
 Effective Date: 21  
 District # 4  
 SGA?  Yes  No

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 (5) days prior to commencing well

Expected Spud Date December 20, 2006  
 month day year

OPERATOR: License# 3293 ✓  
 Name: Russell Oil, Inc.  
 Address: PO Box 1469  
Plainfield, IL 60544  
 City/State/Zip:  
 Contact Person: LeRoy Holt II  
 Phone: 815-609-7000

CONTRACTOR: License# 33350 ✓  
 Name: Southwind Drilling, Inc.

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

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 #: \_\_\_\_\_

**Declaration of Pooling & Unitization attached**

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-1001.  
 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: 12-11-06 Signature of Operator or Agent: [Signature] Title: President

**For KCC Use ONLY**  
 API # 15 - 051-25602-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per Alt. **X(2)**  
 Approved by: [Signature]  
 This authorization expires: 6-12-07  
 (This authorization void if drilling not started within 6 months of approval date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Spot SE NE SE Sec. 35 Twp. 11 S. R. 20  East  West  
 1390 feet from  N /  S Line of Section  
 180 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

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

County: Ellis  
 Lease Name: Schoenthaler Unit Well #: 1  
 Field Name: Stella  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Kansas City; Arbuckle  
 Nearest Lease or unit boundary: 180'  
 Ground Surface Elevation: 2096 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: Estimate 180'  
 Depth to bottom of usable water: Estimate 800' 7SD  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 250'  
 Length of Conductor Pipe required: none  
 Projected Total Depth: 3800'  
 Formation at Total Depth: Arbuckle  
 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: \_\_\_\_\_

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**CONSERVATION DIVISION**  
**WICHITA, KS**

**DEC 12 2006**

**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: \_\_\_\_\_

35  
 11  
 2004

**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 - 051-25602-0000  
Operator: Russell Oil, Inc.  
Lease: Schoenthaler Unit  
Well Number: 1  
Field: Stella  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: Ellis  
1390 \_\_\_\_\_ feet from  N /  S Line of Section  
180 \_\_\_\_\_ feet from  E /  W Line of Section  
Sec. 35 Twp. 11 S. R. 20  East  West

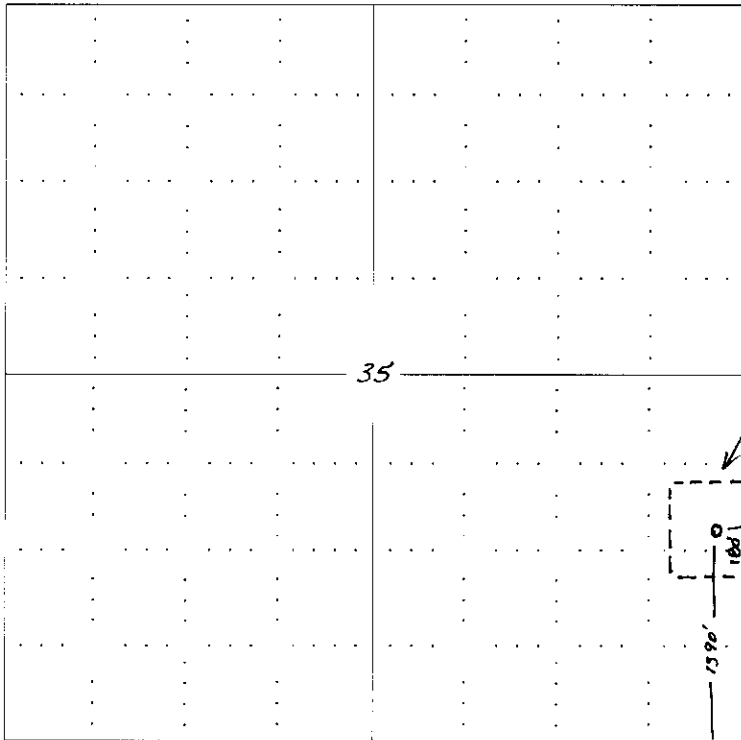
Is Section:  Regular or  Irregular

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

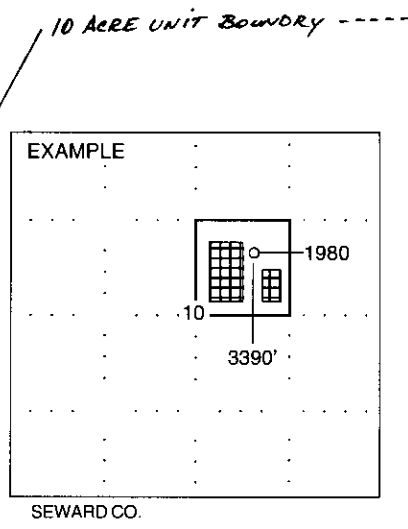
Section corner used:  NE  NW  SE  SW

**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.)*



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

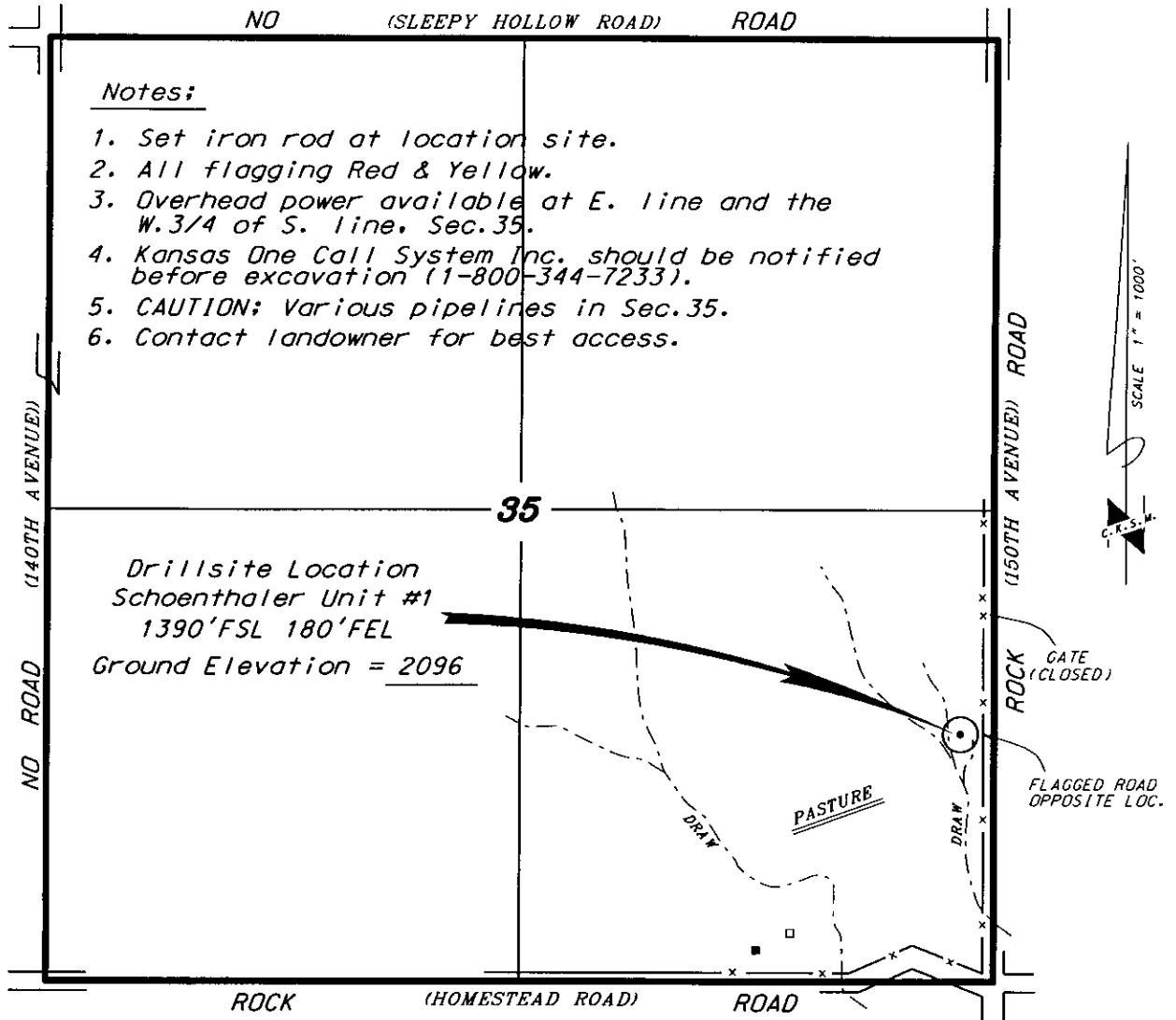
**In plotting the proposed location of the well, you must show:**

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

RUSSELL OIL, INC.  
 SCHOENTHALER UNIT LEASE  
 SE. 1/4, SECTION 35, T11S, R20W  
 ELLIS COUNTY, KANSAS

15-051-25602-0000

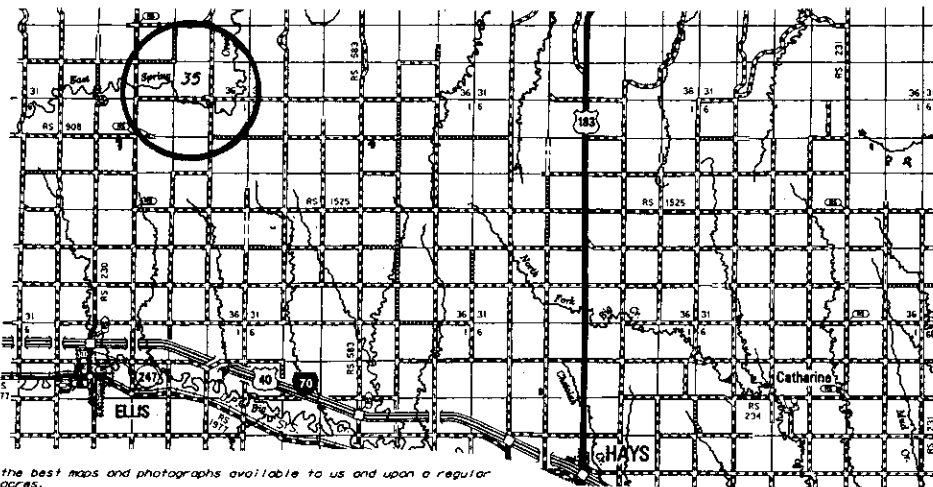
\* Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at E. line and the W. 3/4 of S. line, Sec. 35.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION; Various pipelines in Sec. 35.
6. Contact landowner for best access.

Drillsite Location  
 Schoenthaler Unit #1  
 1390'FSL 180'FEL  
 Ground Elevation = 2096



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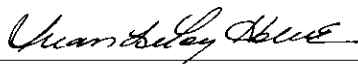
\* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.  
 \* Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.  
 \* Elevations derived from National Geodetic Vertical Datum.

Date November 30, 2006

**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: <b>Russell Oil, Inc.</b>		License Number: <b>3293</b>
Operator Address: <b>PO Box 1469, Plainfield, IL 60544</b>		
Contact Person: <b>LeRoy Holt II</b>		Phone Number: ( <b>815</b> ) <b>609 - 7000</b>
Lease Name & Well No.: <b>Schoenthaler Unit #1</b>		Pit Location (QQQQ): <u>SE NE SE</u>
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: <b>4500</b> (bbls)	Sec. <b>35</b> Twp. <b>11</b> R. <b>20</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1390</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>180</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Ellis</b> 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? <b>native drilling mud</b>
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet)    _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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 <u>1346</u> unknown feet    Depth of water well <u>46</u> feet		Depth to shallowest fresh water <u>unknown 35</u> feet. Source of information: <u>UHG 65</u> (L) _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>native drilling mud</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>allow fluid to evaporate, pits thoroughly dry out, refill w/excavated dirt. Level location.</u> 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.		
December 11, 2006 Date	 Signature of Applicant or Agent	<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>DEC 12 2006</b> <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>
<b>KCC OFFICE USE ONLY</b>		
Date Received: <u>12/12/06</u> Permit Number: _____ Permit Date: <u>12/12/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-051-25602-0000