

For KCC Use:
 Effective Date: 12-24-06
 District # 1
 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 the K.C.C. five (5) days prior to commencing well

Expected Spud Date 1 9 2007
 month day year

Spot 110'E & 10'N OF East
 SW - SW - NW Sec. 34 Twp. 18 S. R. 29 West
2300 feet from N / S Line of Section
440 feet from E / W Line of Section

OPERATOR: License # 3842
 LARSON OPERATING COMPANY
 Name: A DIVISION OF LARSON ENGINEERING, INC.
 Address: 562 WEST HIGHWAY 4
 City/State/Zip: OLMITZ, KS 67564-8561
 Contact Person: TOM LARSON
 Phone: (620) 653-7368

Is SECTION X Regular Irregular?
 (Note: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License # 30606
 Name: MURFIN DRILLING COMPANY, INC.

County: LANE
 Lease Name: LUCILLE Well #: 2-34
 Field Name: WILDCAT

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): MISSISSIPPIAN
 Nearest Lease or unit boundary: 340'

Ground Surface Elevation: ESTIMATED 2807 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: 1100

Depth to bottom of usable water: 1350

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor pipe required: N/A

Projected Total Depth: 4650'

Formation at Total Depth: MISSISSIPPIAN

Water Source for Drilling Operations:

Well Farm Pond Other WATER HAULER

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores Be Taken? Yes No

If yes, proposed zone: _____

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 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#: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 a 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 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: 12/18/2006 Signature of Operator or Agent: Thomas Larson Title: PRESIDENT

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: _____

For KCC use ONLY
 API # 15 - 101-21998-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per Alt. **XO 2**
 Approved by: RJA-12-19-06
 This authorization expires: 6-19-07
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

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

RECEIVED
 KANSAS CORPORATION COMMISSION
 DEC 19 2006
 CONSERVATION DIVISION
 WICHITA, KS

34
 18
 29W

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 - 101-21998-0000
LARSON OPERATING COMPANY
Operator: A DIVISION OF LARSON ENGINEERING, INC.
Lease: LUCILLE
Well Number: 2-34
Field: WILDCAT

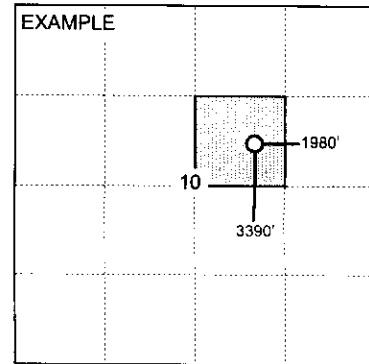
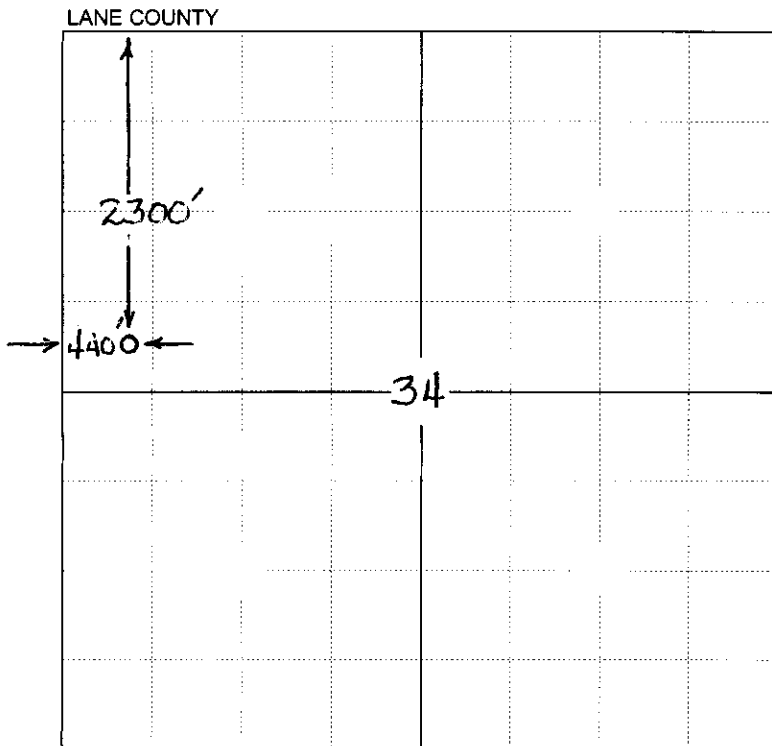
Location of Well: County: LANE
2300 feet from N / S Line of Section
440 feet from E / W Line of Section
Sec. 34 Twp. 18 S. R. 29 East West

Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: _____ - _____ - NW/4

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.)*



SEWARD CO.

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

RECEIVED
KANSAS CORPORATION COMMISSION

DEC 19 2006

CONSERVATION DIVISION
WICHITA, KS

**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: LARSON OPERATING COMPANY A DIVISION OF LARSON ENGINEERING, INC. | | License Number: 3842 |
| Operator Address: 562 WEST HIGHWAY 4 OLMITZ, KS 67564-8561 | | |
| Contact Person: TOM LARSON | | Phone Number: (620) 653-7368 |
| Lease Name & Well No.: LUCILLE #2-34 | | Pit Location (QQQQ): App - SW - SW - NW |
| Type of Pond: <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: 6400 (bbls) | Sec. 34 Twp. 18S R. 29 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2300 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 440 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section LANE 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 & BENTONITE CLAY |
| Pit dimensions (all but working pits): 80 Length (feet) 80 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 2880 feet Depth of water well 130 feet | | Depth to shallowest fresh water 80 feet. 6 Source of information: JR-HGS _____ 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: FRESH WATER MUD Number of working pits to be utilized: NONE - STEEL PITS Abandonment procedure: ALLOW TO DRY THEN 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. 12-18-06 Date | | RECEIVED KANSAS CORPORATION COMMISSION PRESIDENT DEC 19 2006 CONSERVATION DIVISION WICHITA, KS |
| KCC OFFICE USE ONLY | | |
| Date Received: 12/19/06 Permit Number: _____ Permit Date: 12/19/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |

15-101-21998-0000