

For KCC Use:
 Effective Date: 1-9-07
 District #: 3
 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 January 8, 2007
 month day year

OPERATOR: License# 33749
 Name: Kepley Well Service, LLC (Mike Kepley)
 Address: 19245 Ford Road
Chanute, Kansas 66720
 City/State/Zip:
 Contact Person: Mike Kepley
 Phone: 620-431-8945

CONTRACTOR: License# 33374
 Name: L & S Well Service, LLC

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input checked="" 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"/> Mud Rotary
<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Air Rotary
		<input type="checkbox"/> 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 #: _____

Spot _____ East
 NW SE SE Sec. 33 Twp. 27 S. R. 18 West
986 feet from N / S Line of Section
807 feet from E / W Line of Section
 Is SECTION _____ Regular _____ Irregular?

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

County: Neosho
 Lease Name: Kepley Well #: 1
 Field Name: Kepley Humboldt-Chanute
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Bartlesville
 Nearest Lease or unit boundary: 807'
 Ground Surface Elevation: _____ 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: 100'
 Depth to bottom of usable water: 150'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 20'
 Length of Conductor Pipe required: 0
 Projected Total Depth: 850'
 Formation at Total Depth: Bartlesville
 Water Source for Drilling Operations:
 Well Farm Pond Other Air
 DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

RECEIVED

KANSAS CORPORATION COMMISSION

AFFIDAVIT

JAN 04 2007

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:

CONSERVATION DIVISION
 WICHITA, KS

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: 12-21-06 Signature of Operator or Agent: Mike Kepley Title: Owner

For KCC Use ONLY
 API # 15 - 133-26751-0000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per Alt. **X2**
 Approved by: 1-4-07
 This authorization expires: 7-4-07
 (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

33
 27
 18E

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 - 133-26751-0000
 Operator: Kepley Well Service, LLC (Mike Kepley)
 Lease: Kepley
 Well Number: 1
 Field: Kepley
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NW - SE - SE

Location of Well: County: Neosho
 986 _____ feet from N / S Line of Section
 807 _____ feet from E / W Line of Section
 Sec. 33 Twp. 27 S. R. 18 East West

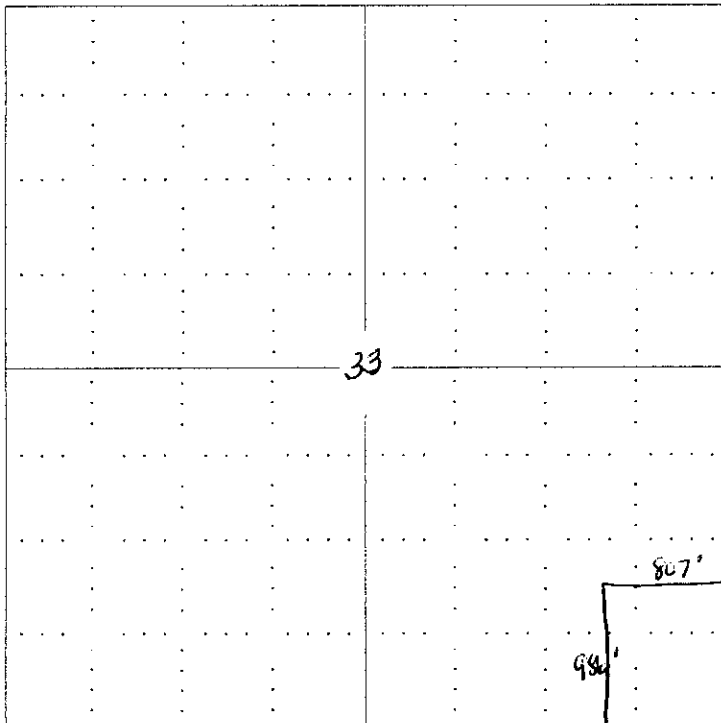
Is Section: Regular or Irregular

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

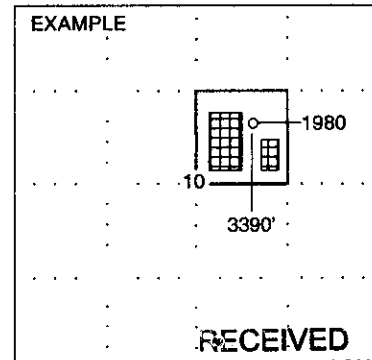
Section corner used: NE NW SE SW

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.



RECEIVED
 SEWARD COUNTY KANSAS CORPORATION COMMISSION

JAN 04 2007

CONSERVATION DIVISION
 WICHITA, KS

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: Mike Kepley		License Number: 33749
Operator Address: 19245 Ford Road, Chanute, Kansas 66720		
Contact Person: Mike Kepley		Phone Number: (620) 431 - 8945
Lease Name & Well No.: Kepley #1		Pit Location (QQQQ): _____ NW _____ SE _____ SE Sec. 33 Twp. 27 R. 18 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 986 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 807 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Neosho _____ 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 <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: 80 (bbls)	
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 type="checkbox"/> Yes <input checked="" 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? Clay
Pit dimensions (all but working pits): 15 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.
Distance to nearest water well within one-mile of pit 5066 feet Depth of water well 91 feet		Depth to shallowest fresh water 15 feet. Source of information: 2 _____ 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: Drill Cuttings Number of working pits to be utilized: 1 Abandonment procedure: Fill in RECEIVED KANSAS CORPORATION COMMISSION Drill pits must be closed within 365 days of spud date JAN 04 2007
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		CONSERVATION DIVISION WICHITA, KS
_____ Date 12-21-06	_____ Signature of Applicant or Agent <i>Mike Kepley</i>	

15-133-26751-0000

KCC OFFICE USE ONLY			
Date Received: 1/4/07	Permit Number: _____	Permit Date: 1/4/07	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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