

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

JAN 09 2007

NOTICE OF INTENT TO DRILL CONSERVATION DIVISION
WICHITA, KS

Must be approved by KCC five (5) days prior to commencing work

For KCC Use:
Effective Date: 1-14-07
District #: 4
SGA? Yes No

Expected Spud Date January 16 2007
month day year

OPERATOR: License# 32924
Name: Gilbert-Stewart Operating LLC
Address: 1801 Broadway #450
City/State/Zip: Denver, CO 80202
Contact Person: Kent L. Gilbert
Phone: 303 534-1686

CONTRACTOR: License# 33350
Name: Southwind Drilling

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
 Enh Rec Storage Disposal Other
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 #: _____

Spot East West
SW NE SE Sec. 22 Twp. 20s S. R. 12W
1370' FSL _____ feet from N / S Line of Section
1020' FEL _____ feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Barton
Lease Name: DDK Well #: 6
Field Name: Chase Silica

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary: 1020'

Ground Surface Elevation: 1827' 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: 200'
Depth to bottom of usable water: 230'
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 260-300'

Length of Conductor Pipe required: _____
Projected Total Depth: 3500'
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
 Well Farm Pond Other Haul if Necessary/Contr will permit
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 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: 1-8-06 Signature of Operator or Agent: Kent L. Gilbert Title: Manager

For KCC Use ONLY
API # 15 - 009-25016-0000
Conductor pipe required None feet
Minimum surface pipe required 250 feet per Alt. 1
Approved by: Ruth 1-9-07
This authorization expires: 7-9-07
(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: _____

22
20
12W

JAN 09 2007

Side Two

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

CONSERVATION DIVISION
WICHITA, KS

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 - 009-25016-0000

Operator: Gilbert-Stewart Operating LLC

Lease: DDK

Well Number: 6

Field: Chase Silica

Number of Acres attributable to well: _____

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

Location of Well: County: Barton

1370' FSL feet from N / S Line of Section

1020' FEL feet from E / W Line of Section

Sec. 22 Twp. 20s S. R. 12W East West

Is Section: Regular or Irregular

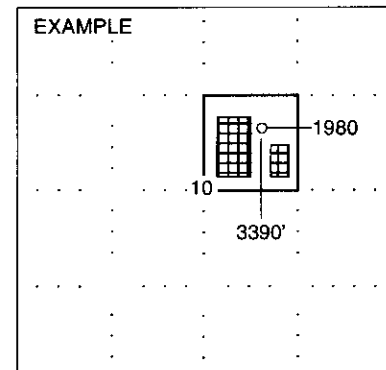
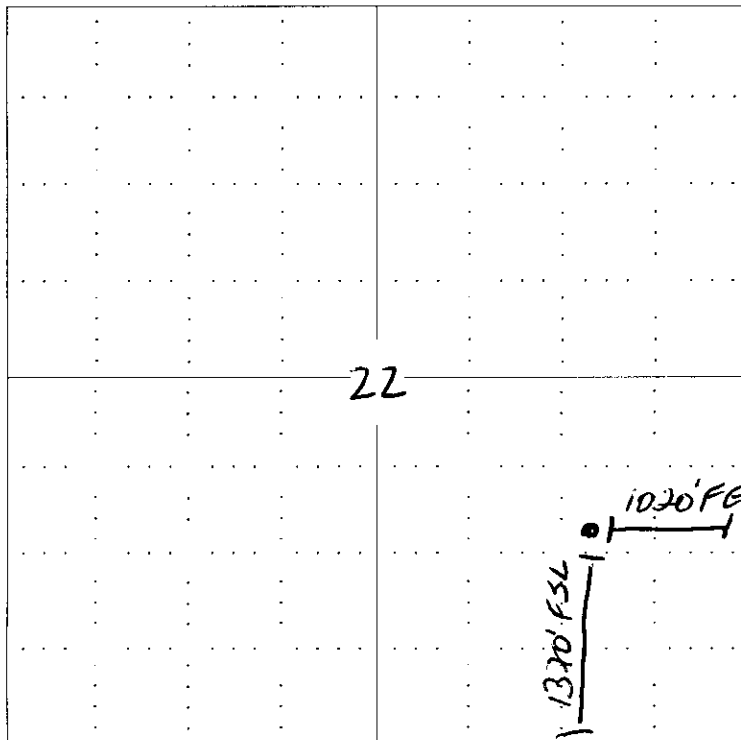
If Section is Irregular, locate well from nearest corner boundary.

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).

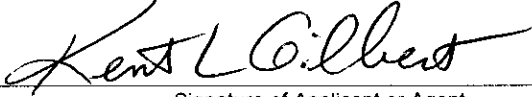
RECEIVED
KANSAS CORPORATION COMMISSION
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WICHITA, KS

Form CDP-1
 April 2004
 Form must be Typed

JAN 09 2007

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION

Submit in Duplicate

Operator Name: Gilbert-Stewart Operating LLC		License Number: 32924
Operator Address: 1801 Broadway #450		
Contact Person: Kent Gilbert		Phone Number: (303) 534 - 1686
Lease Name & Well No.: DDK #6		Pit Location (QQQQ): SW NE SE
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: 4571 (bbls)	Sec. 22 Twp. 20S R. 12W <input type="checkbox"/> East <input type="checkbox"/> West 1370' Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1020' Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Barton County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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? Bentonite
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. Bentonite from the drilling mud will coat and seal the sides and bottom of the pit during drilling.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Bentonite will stay in place until the pit is squeezed and closed
Distance to nearest water well within one-mile of pit 489 feet Depth of water well 113 feet		Depth to shallowest fresh water 20' est 39 feet. (2) 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: Fresh Water/Bentonite Number of working pits to be utilized: 3 no slots Abandonment procedure: Haul of any free fluids after the Hutchinson salt. Allow the pits to dry. Back fill when dry. 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.		
1-8-06 Date		 Signature of Applicant or Agent

15-009-25016-0000

KCC OFFICE USE ONLY		<i>Call extra sand RTASC</i>
Date Received: 1/9/07	Permit Number: _____	Permit Date: 1/9/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

January 9, 2007

Mr. Kent L. Gilbert
Gilbert-Stewart Operating, LLC
1801 Broadway #450
Denver CO 80202

RE: Drilling Pit Application
DDK Lease Well No. 6
SE/4 Sec. 22-20S-12W
Barton County, Kansas

Dear Mr. Gilbert:

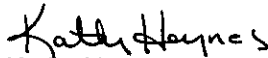
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **if sand is encountered during the construction of the reserve pit or working pits, please call the District Office at (785) 625-0550**. The fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased. **Please keep all pits away from any draws.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathy Haynes
Environmental Protection and Remediation Department

cc: File