

For KCC Use: 1-21-07
 Effective Date: 1-21-07
 District # 4
 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 January 18, 2007
 month day year

Spot 40'S & 70'E of East
C E/2 Sec. 10 Twp. 20 S. R. 13 West
2600 feet from N / S Line of Section
1250 feet from E / W Line of Section
 Is SECTION Regular Irregular?

OPERATOR: License# 4058
 Name: AMERICAN WARRIOR, INC.
 Address: P. O. Box 399
 City/State/Zip: Garden City, Kansas 67846-0399
 Contact Person: Cecil O'Brate
 Phone: 620/275-9231

(Note: Locate well on the Section Plat on reverse side)
 County: Barton
 Lease Name: SELLE Well #: 1-10
 Field Name: West Bend
 Is this a Prorated / Spaced Field? Yes No
 Target Information(s): Arbuckle

CONTRACTOR: License# 5929
 Name: DUKE DRILLING CO., INC.

Nearest Lease or unit boundary: 1250
 Ground Surface Elevation: Est 1860 TAD 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: 120'
 Depth to bottom of usable water: 180' 240
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 200+ 210
 Length of Conductor Pipe required: None
 Projected Total Depth: 3600'
 Formation at Total Depth: Arbuckle
 Water Source for Drilling Operations:
 Well Farm Pond Other X
 DWR Permit #: _____

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

Oil & Gas Leases w/ plugging clauses attached

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 casing *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: 1/16/07 Signature of Operator or Agent: Sally R. Byers Title: Agent
 Sally R. Byers
 Remember to:

For KCC Use ONLY
 API # 15 - 009-25021-0000
 Conductor pipe required None feet
 Minimum surface pipe required 260 feet per All 1
 Approved by: RH 1-16-07
 This authorization expires: 7-16-07
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

- 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

RECEIVED
 KANSAS CORPORATION COMMISSION
 JAN 16 2007
 CONSERVATION DIVISION
 WICHITA, KS

10
 20
 13W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

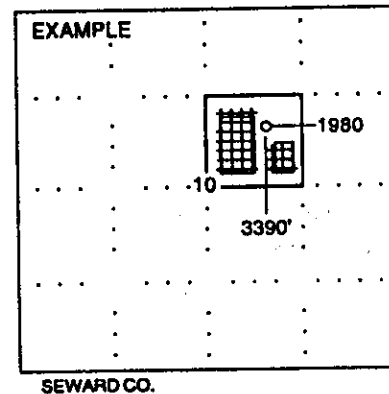
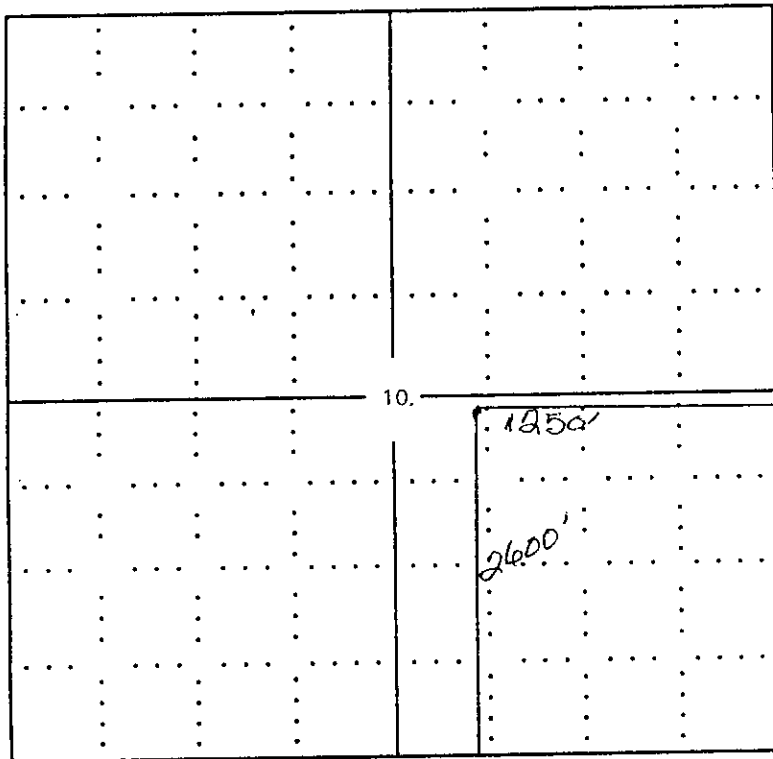
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 009-25021-0000
 Operator: _____
 Lease: _____
 Well Number: _____
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: _____
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. _____ Twp. _____ S. R. _____ 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.

BARTON COUNTY

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).

**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: AMERICAN WARRIOR, INC. | | License Number: 4058 |
| Operator Address: P. O. Box 399, Garden City, Kansas 67846-0399 | | |
| Contact Person: Cecil O'Brate | | Phone Number: (620) 275 - 9231 |
| Lease Name & Well No.: SELLE #1-10 | | Pit Location (QQQQ): 40'S & 70'E C - E/2 - |
| 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. <u>10</u> Twp. <u>20S</u> R. <u>13</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2600</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1250</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Barton</u> 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? |
| Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</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>298</u> feet Depth of water well <u>80</u> feet | | Depth to shallowest fresh water <u>15</u> feet. Source of information: <u>(2)</u> _____ measured _____ well owner _____ electric log _____ KOWR |
| 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: <u>Fresh</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>evaporate then backfill</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. January 16, 2007 Date | | RECEIVED KANSAS CORPORATION COMMISSION JAN 16 2007 SIGNATURE OF APPLICANT OR AGENT <i>Cecil O'Brate</i> Signature of Applicant or Agent |
| KCC OFFICE USE ONLY | | |
| Date Received: <u>1/16/07</u> Permit Number: _____ Permit Date: <u>1/16/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | CONSERVATION DIVISION WICHITA, KS RTASAC callen@kcc.com |

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

15 2007 25021-0222

KANSAS

CORPORATION COMMISSION

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

January 16, 2007

Mr. Cecil O'Brate
American Warrior, Inc.
PO Box 399
Garden City, KS 67846-0399

RE: Drilling Pit Application
Selle Lease Well No. 1-10
SE/4 Sec. 10-20S-13W
Barton County, Kansas

Dear Mr. O'Brate:

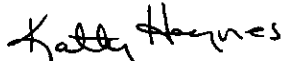
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **if sand is encountered during the construction of the reserve pit or working pits, please call the District Office 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