

CORRECTED

12-29-06

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: Effective Date: 1-2-07 District # 4 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION NOTICE OF INTENT TO DRILL

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

Expected Spud Date January 3 2007 month day year

OPERATOR: License# 9855 Name: Grand Mesa Operating Company Address: 200 E. First St., Ste 307 Wichita, KS 67202 Contact Person: Ronald N. Sinclair Phone: 316-265-3000

CONTRACTOR: License# 33675 Name: WW Drilling, LLC

Well Drilled For: Oil Gas OAWD Seismic; # of Holes Other Well Class: Enh Rec Storage Disposal 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 SW SW SE Sec. 18 Twp. 15 S. R. 22 East West 370 2280 feet from N S Line of Section E W Line of Section Is SECTION Regular Irregular?

County: Trego Lease Name: Sargent Well #: 2-18 Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Cherokee Sand Nearest Lease or unit boundary: 390'

Ground Surface Elevation: 234' 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: 180' Depth to bottom of useable water: 720' Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200' Length of Conductor Pipe required: None Projected Total Depth: 4400'

Formation at Total Depth: Mississippian 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:

WMS: AUTH-EXP. N/A IS: AUTH EXP. 6-28-07

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 56 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 useable 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: December 22, 2006 Signature of Operator or Agent: RONALD N. SINCLAIR Title: President

For KCC Use ONLY API # 15 - 195-22416-00-00 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per AII. X(2) Approved by: WJH 12-28-06 / WJH 12-29-06 This authorization expires: 6-28-07 (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 RECEIVED Signature of Operator or Agent: KANSAS CORPORATION COMMISSION Date:

Mail to: KCC - Conservation Division, 130 S. Market - Room 207A, Wichita, Kansas 67202

DEC 28 2006

CONSERVATION DIVISION WICHITA, KS

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