

For KCC Use: 3-7-07  
 Effective Date: 4  
 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 March 7 2007  
month day year

Spot  East  
NE NE SE Sec. 32 Twp. 12 S. R. 17  West  
2310 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

OPERATOR: License# 8754  
 Name: Pyle Petroleum  
 Address: 212 Old Grande Blvd., C100  
 City/State/Zip: Tyler, Texas 75703  
 Contact Person: John L. Schmeidler  
 Phone: (785) 625-5146

(Note: Locate well on the Section Plat on reverse side)  
 County: Ellis  
 Lease Name: James Staab Well #: 7  
 Field Name: Reed

CONTRACTOR: License# 33493  
 Name: American Eagle

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): L/KC, Arbuckle  
 Nearest Lease or unit boundary: 330

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

Ground Surface Elevation: 2111 feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

If OWWO: old well information as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Depth to bottom of fresh water: 180'  
 Depth to bottom of usable water: 700'  
 Surface Pipe by Alternate:  1  2

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Length of Surface Pipe Planned to be set: 200  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 3800'  
 Formation at Total Depth: Arbuckle

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: \_\_\_\_\_

**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: 2/28/07 Signature of Operator or Agent: John L. Schmeidler Title: Regional Manager

**For KCC Use ONLY**  
 API # 15 - 051-25631-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per Alt. **X(2)**  
 Approved by: RA3-2-07  
 This authorization expires: 9-2-07  
 (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: \_\_\_\_\_  
**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
 Date: \_\_\_\_\_

Mail to: KCC - Conservation Division, 130 S. Market - Room 1878, Wichita, Kansas 67202  
**MAR 01 2007**

CONSERVATION DIVISION  
 WICHITA, KS

32 12 17W

### 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 - 051-25631-0000  
 Operator: Pyle Petroleum  
 Lease: James Staab  
 Well Number: 7  
 Field: Reed  
 Number of Acres attributable to well: 10  
 QTR / QTR / QTR of acreage: NE - NE - SE

Location of Well: County: Ellis  
2310 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
 Sec. 32 Twp. 12 S. R. 17  East  West

Is Section:  Regular or  Irregular

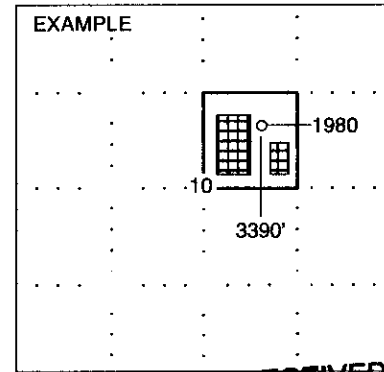
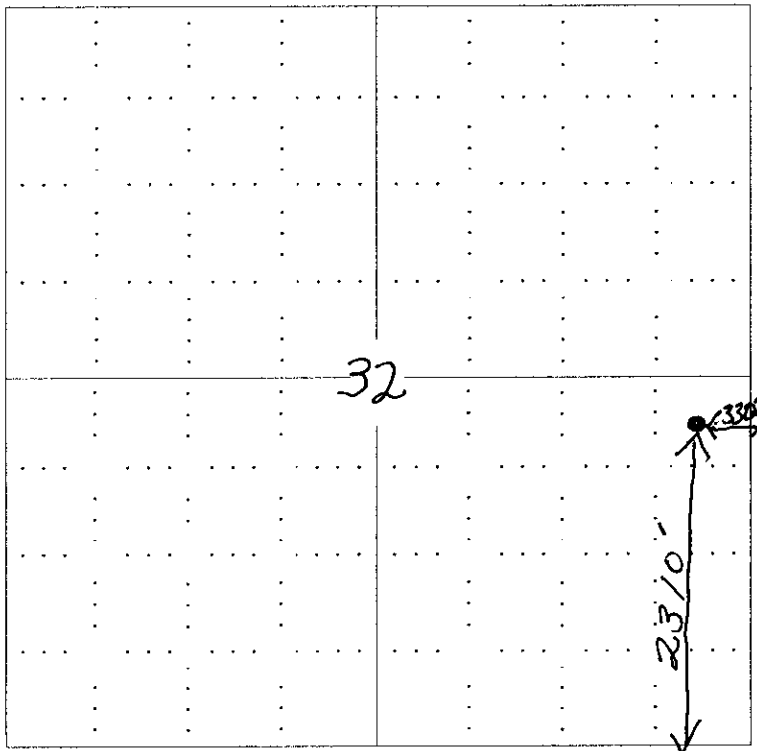
**If Section is Irregular, locate well from nearest corner boundary.**

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.)*



SEWARD CO.

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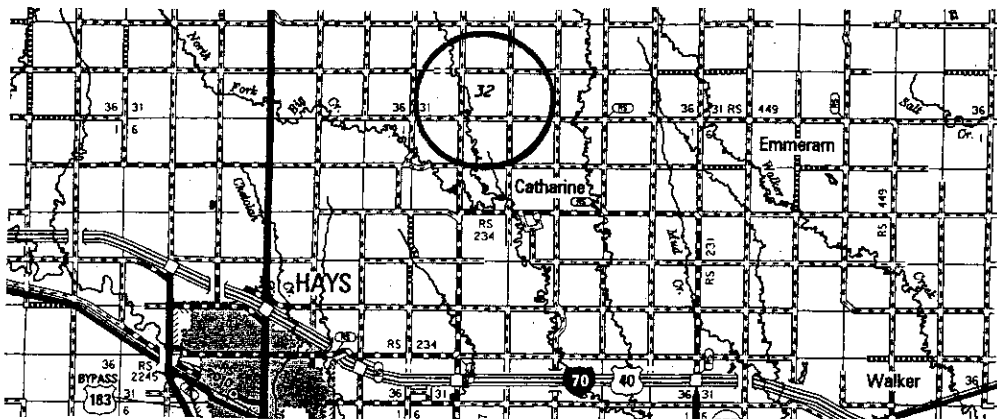
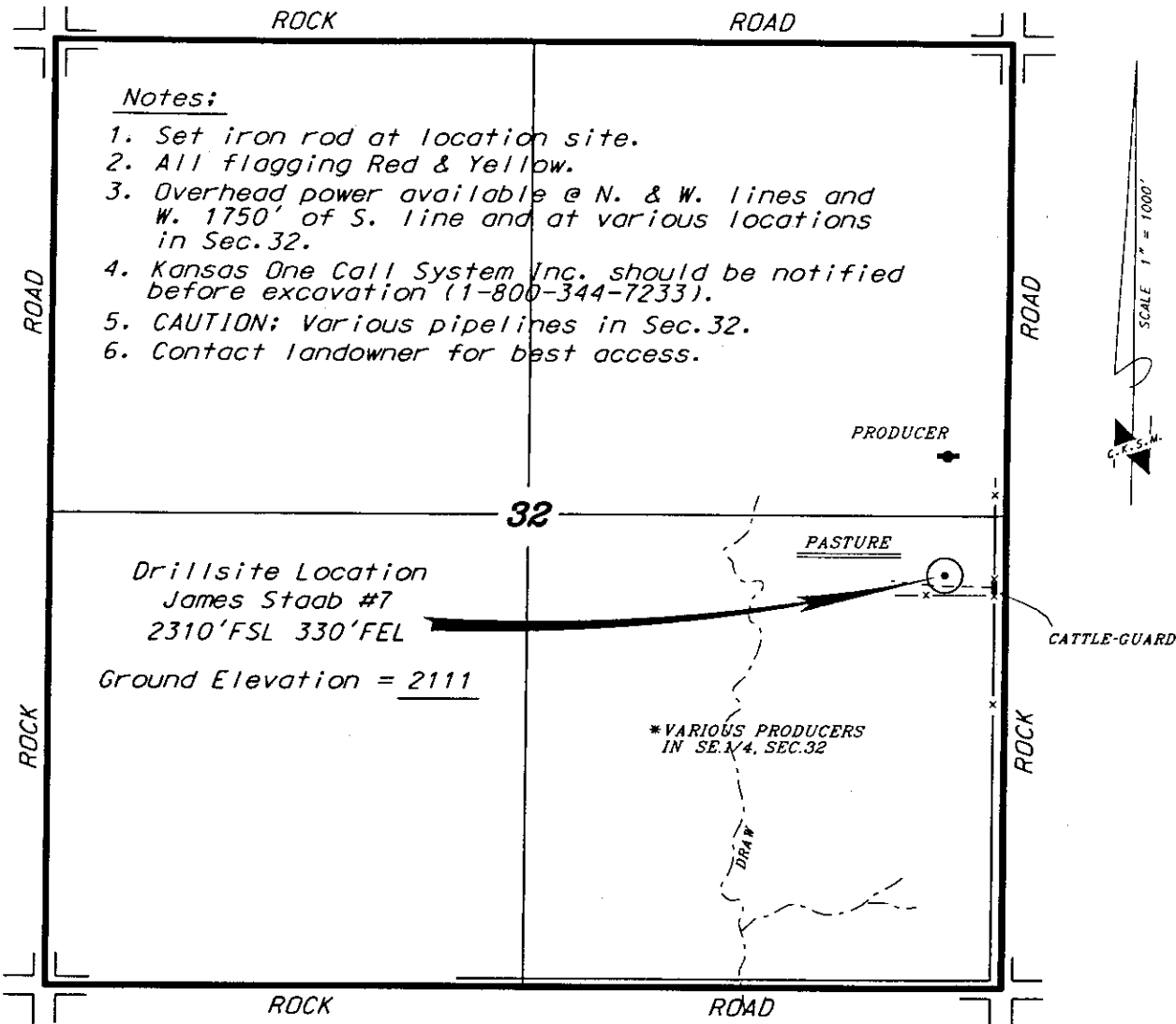
**In plotting the proposed location of the well, you must show:**

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).

**PYLE PETROLEUM**  
**JAMES STAAB LEASE**  
 SE. 1/4, SECTION 32, T12S, R17W  
 ELLIS COUNTY, KANSAS

15051-25631-0000

\*Ingress and egress to location as shown on this plot is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



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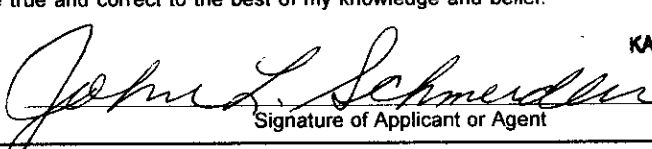
Date January 18, 2007

\* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.  
 \* Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and accepting this plot and all other parties relying thereon agree to hold Central Kansas Oilfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.  
 \* Elevations derived from National Geodetic Vertical Datum.

**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: <b>Pyle Petroleum</b>		License Number: <b>8754</b>
Operator Address: <b>212 Old Grande Blvd., C100, Tyler, Texas, 75703</b>		
Contact Person: <b>John L. Schmeidler</b>		Phone Number: <b>(785) 259-4314</b>
Lease Name & Well No.: <b>James Staab #7</b>		Pit Location (QQQQ): <b>NE NE SE</b>
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: <b>8,900</b> (bbls)	Sec. <b>32</b> Twp. <b>12</b> R. <b>17</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>2310</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>330</b> Feet from <input checked="" type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Ellis</b> 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? <b>Native Clay</b>
Pit dimensions (all but working pits): <b>100</b> Length (feet) <b>60</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>5'</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>N.A.</b>	Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>Monitoring of fluid level during drilling &amp; completion operations.</b>	
Distance to nearest water well within one-mile of pit <b>1480</b> <sup>38.39</sup> feet    Depth of water well <b>72</b> <sup>40</sup> feet	Depth to shallowest fresh water <b>72</b> <sup>12</sup> feet. Source of information: <input checked="" type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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	<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Fresh Water, Chemical Mud</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>Haul off &amp; dispose of free liquids, trench &amp; bury any remaining drill fluids &amp; cuttings.</b> 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.		
<b>2/28/07</b> Date	 Signature of Applicant or Agent	<b>RECEIVED</b> KANSAS CORPORATION COMMISSION <b>MAR 01 2007</b> CONSERVATION DIVISION WICHITA, KS
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>3/1/07</b> Permit Number: _____	Permit Date: <b>3/1/07</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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

157051-256310022