

For KCC Use: 8-15-06
 Effective Date: _____
 District # 3
 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 Aug. 17 2006
 month day year

OPERATOR: License# 33791 ✓
 Name: Roger Shanks
 Address: 200 state hwy. 99
 City/State/Zip: Sedan, Kansas 67361
 Contact Person: Roger Shanks
 Phone: (620) - 725 - 3619

CONTRACTOR: License# 33832 ✓
 Name: Pense Bros. Drilling

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

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
 App. C SW SE Sec. 15 Twp. 34 S. R. 12
560 feet from N / S Line of Section
1875 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Chautauqua
 Lease Name: Coulter Raymond Well #: 3-A
 Field Name: Perue - Sedan Oil & Gas
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Wayside Sandstone
 Nearest Lease or unit boundary: 760
 Ground Surface Elevation: 950 ESTIMATED 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: 200 225
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 40
 Length of Conductor Pipe required: none
 Projected Total Depth: 1250
 Formation at Total Depth: Altamont Limestone
 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: 8-4-06 Signature of Operator or Agent: Roger Shanks Title: operator

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For KCC Use ONLY
 API # 15 - 019-26751-0000
 Conductor pipe required None feet
 Minimum surface pipe required 40 feet per Alt. **X(2)**
 Approved by: RH 8-10-06
 This authorization expires: 2-10-07
 (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 will Not Be Drilled
 Well Not Drilled - Permit Expired
 Signature of Operator or Agent: Roger Shanks
 Date: 2-1-07

15
 34
 12E

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

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 AUG 09 2006
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