

For KCC Use: 11-26-06
 Effective Date: _____
 District #: 4
 SGA? Yes No

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

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date November 25 2006
month day year

Spot NE 1546 feet from N / S Line of Section
703 feet from E / W Line of Section
 Is SECTION Regular Irregular?

OPERATOR: License# 33886
 Name: Chandler Energy, LLC
 Address: 475 Seventeenth Street, Suite 1210
 City/State/Zip: Denver, CO 80202
 Contact Person: Terry J. Cox
 Phone: 303-297-2028

(Note: Locate well on the Section Plat on reverse side)
 County: Decatur
 Lease Name: Huff Well #: 29-8
 Field Name: Lester

CONTRACTOR: License# 33607
 Name: Kaler Oil Company (Nebraska Drilling)

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Lansing/Kansas City
 Nearest Lease or unit boundary: 703 feet

<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OAWD	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic	<input type="checkbox"/> # of Holes	<input type="checkbox"/> Other	

Ground Surface Elevation: 2531 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: 150 feet
 Depth to bottom of usable water: 1200 feet
 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: 250 feet
 Length of Conductor Pipe required: None
 Projected Total Depth: 3600 feet
 Formation at Total Depth: Granite Wash

Water Source for Drilling Operations:
 Well Farm Pond Other Previously Drilled Water Well
 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: 11/17/06 Signature of Operator or Agent: [Signature] Title: VP - L.A. Ops

**RECEIVED
KANSAS CORPORATION COMMISSION
NOV 20 2006
CONSERVATION DIVISION
WICHITA, KS**

For KCC Use ONLY
 API # 15 - 039-20994-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. **X(2)**
 Approved by: W. H. M. 11-21-06 Rev 4-20-07
 This authorization expires: 5-21-07 11-21-07
(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: _____

29 / 26W