

For KCC Use:
Effective Date: 11-26-06
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 live (5) days prior to commencing well

Expected Spud Date 12 5 2006
month day year

Spot N2 NW - SW - NW Sec. 27 Twp. 6 S. R. 21
 East West

OPERATOR: License# 32210
Name: Harry A. Spring
Address: BOX 1788
City/State/Zip: Ardmore, Oklahoma 73402
Contact Person: Mike Davignon
Phone: 785-421-2921

1500 feet from N / S Line of Section
330 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: GRAHAM
Lease Name: PENNINGTON Well #: 2

CONTRACTOR: License# 30606
Name: Murfin Drig.

Field Name: _____
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): GRANITE

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 2275 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: 150'
Depth to bottom of usable water: 1125'

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: NONE
Projected Total Depth: 3800

Formation at Total Depth: GRANITE
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: _____

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

If CWWO: 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 #: _____

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: 11-16-06 Signature of Operator or Agent: [Signature] Title: AGENT

For KCC Use ONLY
API # 15 - 065-23254-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: W.H.M. 11-21-06 Permit 5-7-07
This authorization expires: 5-21-07 11-21-07
(This authorization void if drilling not started within 8 months of approval date.)
Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form GDP-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 2076, Wichita, Kansas 67202

RECEIVED

NOV 20 2006

KCC WICHITA

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21W