

For KCC Use:
 Effective Date: 6-11-07
 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 June 12 2007
month day year

Spot East
 West
SW NE NW Sec. 3 Twp. 18 S. R. 19
961 feet from N / S Line of Section
1514 feet from E / W Line of Section

OPERATOR: License# 4058 ✓
 Name: AMERICAN WARRIOR, INC.
 Address: P.O. BOX 399
GARDEN CITY, KANSAS 67848
 Contact Person: CECIL O'BRATE
 Phone: 620-275-7461

Is SECTION Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)
 County: BARTON
 Lease Name: LUDWIG Well #: 2-3

CONTRACTOR: License# 33323
 Name: PETROMARK DRILLING, LLC RIG #2

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): ARBUCKLE
 Nearest Lease or unit boundary: 961 FT

<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"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; _____ # of Holes	<input type="checkbox"/> Other		
<input type="checkbox"/> Other			

Ground Surface Elevation: 1821.3 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 feet
 Depth to bottom of usable water: 300 feet
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 320 feet ✓
 Length of Conductor Pipe required: none
 Projected Total Depth: 3450
 Formation at Total Depth: Arbuckle
 Water Source for Drilling Operations:
 Well Farm Pond Other _____
 DWR Permit #: _____

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 #: _____

(Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____
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 KANSAS CORPORATION COMMISSION

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. **JUN 06 2007**

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: JUNE 5, 2007 Signature of Operator or Agent: [Signature] Title: AGENT

For KCC Use ONLY
 API # 15 - 009-25062-0000
 Conductor pipe required None feet
 Minimum surface pipe required 320 feet per Alt. 1
 Approved by: [Signature] 6-6-07
 This authorization expires: 12-6-07
 (This authorization void if drilling not started within 6 months of approval date.)
 Spud date: _____ Agent: _____

Remember to:

- File Drili 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.

Well Not Drilled - Permit Expired
 Signature of Operator or Agent: _____
 Date: _____

3 18 13W

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 - 009-25062-0000
 Operator: AMERICAN WARRIOR, INC.
 Lease: LUDWIG
 Well Number: 2-3
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SW - NE - NW

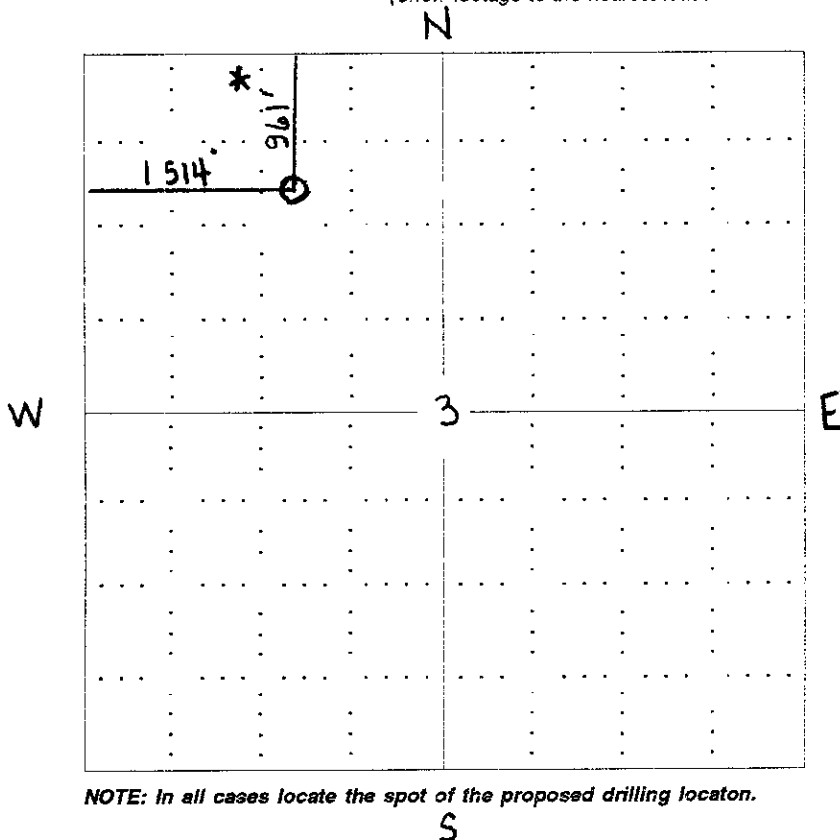
Location of Well: County: BARTON
961 feet from N / S Line of Section
1514 feet from E / W Line of Section
 Sec. 3 Twp. 18 S. R. 13 East West

Is Section: Regular or Irregular

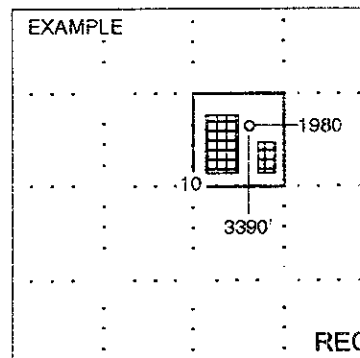
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



*** NEAREST BOUNDARY**



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 SEWARD CO. KANSAS CORPORATION COMMISSION

JUN 06 2007

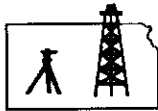
CONSERVATION DIVISION
 WICHITA, KS

NOTE: In all cases locate the spot of the proposed drilling location.

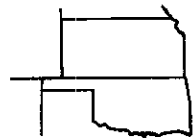
In plotting the proposed location of the well, you must show:

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).

15-009-25062-0000



ROBINSON SERVICES
Oil Field & Construction Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499



p060507-m
PLAT NO.

6882
INVOICE NO.

American Warrior
OPERATOR
Barton County, KS
COUNTY

3 18s 13w
Sec. Twp. Rng.

Ludwig #2-3
LEASE NAME
961' FNL & 1514' FWL
LOCATION SPOT

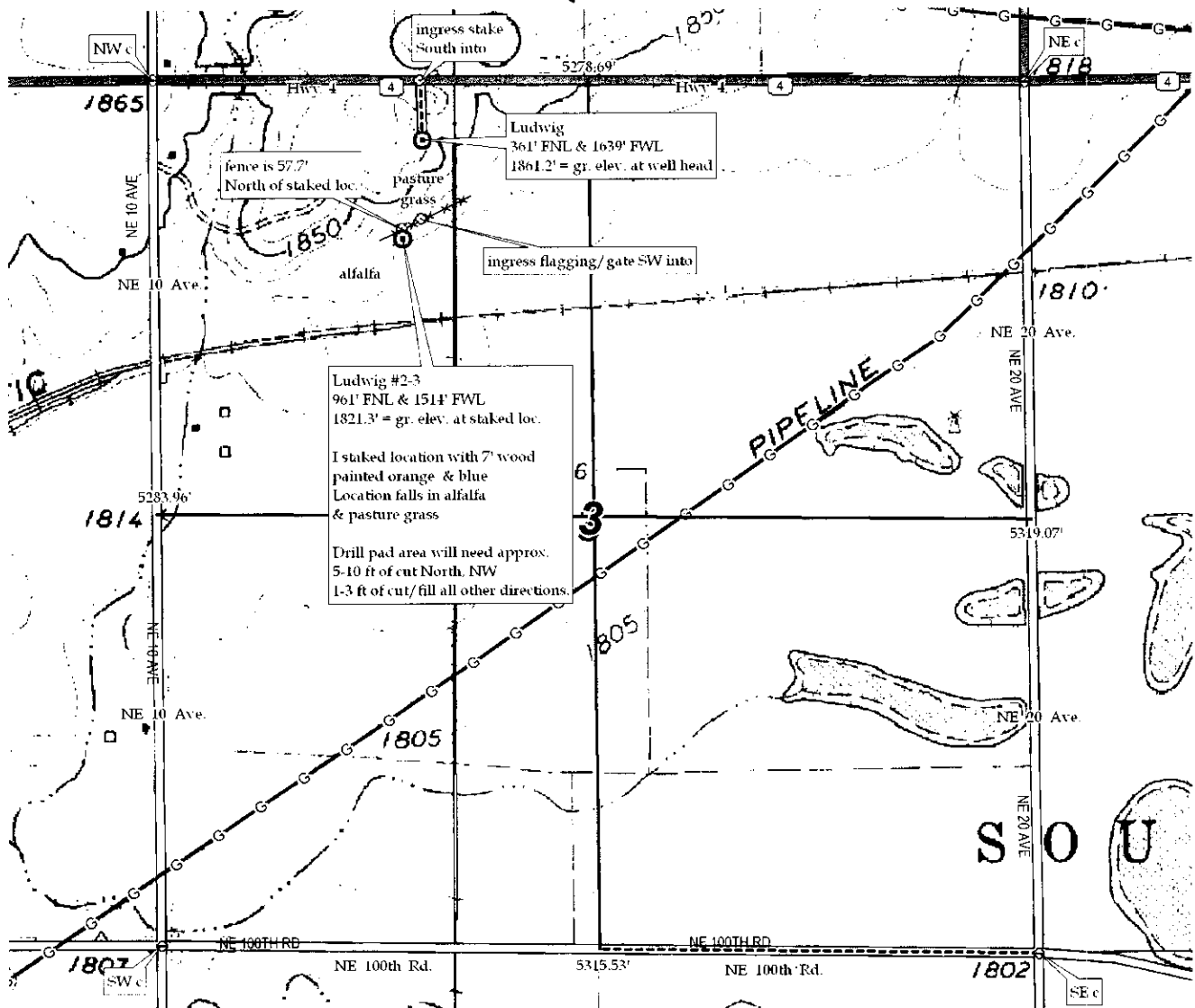
SCALE: **1" = 1000'**
DATE: **June 6th, 2007**
MEASURED BY: **Kent C.**
DRAWN BY: **Gabe Q.**
AUTHORIZED BY: **Cecil O.**



GR. ELEVATION: **1821.3'**

Directions: From the North side of Hosington, Ks at the intersection of Hwy 4 & Hwy 281 South - Now go 1.2 miles East on Hwy 4 to the NW corner of section 3-18s-13w - Now go 0.3 mile on East to ingress stake South into - Now go 361' South on lease rd. to producing Ludwig well - Now go approx. 482' on South through pasture grass to ingress flagging/gate SW into - Now go approx. 165' SW through alfalfa into staked location.
Final ingress must be verified with land owner or American Warrior


*This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only*



**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: AMERICAN WARRIOR, INC.		License Number: 4058
Operator Address: P.O. BOX 399		
Contact Person: CECIL O'BRATE		Phone Number: (620) 275 7461
Lease Name & Well No.: LUDWIG #2-3		Pit Location (QQQQ): NW 1/4 SW NE NW Sec. 3 Twp. 18S R. 13 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 961 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1514 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section BARTON County
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 W/P Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? BENTONITE
Pit dimensions (all but working pits): <u>70</u> Length (feet) <u>70</u> Width (feet) N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. N/A		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. N/A
Distance to nearest water well within one-mile of pit <u>1108</u> feet Depth of water well <u>65</u> feet	Depth to shallowest fresh water <u>30</u> feet. Source of information: _____ measured _____ well owner <u>①</u> electric log _____ KDWR	
Emergency, Settling and Burn Pits ONLY: 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	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: BENTONITE GEL Number of working pits to be utilized: THREE Abandonment procedure: JET WORKING INTO RESERVE, ALLOW TO EVAPORATE AND BACKFILL PITS WITH DOZER. 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.		RECEIVED KANSAS CORPORATION COMMISSION JUN 06 2007 CONSERVATION DIVISION
<u>JUNE 5, 2007</u> Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
RFAC		
Date Received: <u>6/6/07</u> Permit Number: _____ Permit Date: <u>6/6/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-009-25062-0002



Kathleen Sebelius, Governor
Brian J. Moline, Chair
Robert E. Krehbiel, Commissioner
Michael C. Moffet, Commissioner

June 6, 2007

Mr. Cecil O'Brate
American Warrior, Inc.
PO Box 399
Garden City, KS 67846

RE: Drilling Pit Application
Ludwig Lease Well No. 2-3
NW/4 Sec. 03-18S-13W
Barton County, Kansas

Dear Mr. O'Brate:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. **Please keep all pits away from any draws.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:
www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: File