

For KCC Use: 7807  
Effective Date: 7807  
District # 3  
SGA? ☒ Yes ☐ No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

1010145

Form C-1  
November 2005  
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: 07/05/2007  
month day year

OPERATOR: License# 5150  
Name: Colt Energy Inc  
Address 1: P.O. Box 388  
Address 2: \_\_\_\_\_  
City: Iola State: KS Zip: 66749 + \_\_\_\_\_  
Contact Person: DENNIS KERSHNER  
Phone: 620-365-3111

CONTRACTOR: License# 5989  
Name: Finney, Kurt

Well Drilled For: ☒ Oil ☐ Gas ☐ Enh Rec ☐ Storage ☐ Disposal ☐ Seismic; # of Holes ☐ Other: \_\_\_\_\_  
Well Class: ☐ Infield ☒ Pool Ext. ☐ Wildcat ☐ Other: \_\_\_\_\_  
Type Equipment: ☒ Mud Rotary ☐ Air Rotary ☐ Cable

☐ 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 Description: \_\_\_\_\_  
NW SE NW NE Sec. 11 Twp. 23 S. R. 16 ☒ E ☐ W  
(20/0/0) 4,560 feet from ☐ N / ☒ S Line of Section  
1,930 feet from ☒ E / ☐ W Line of Section

Is SECTION: ☐ Regular ☒ Irregular?

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

County: Coffey  
Lease Name: BEARD Well #: 11  
Field Name: NEOSHO FALLS-LEROY

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): LOWER SQUIRREL

Nearest Lease or unit boundary line (in footage): 720

Ground Surface Elevation: 984 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: 20

Depth to bottom of usable water: 200

Surface Pipe by Alternate: ☐ I ☒ II

Length of Surface Pipe Planned to be set: 40

Length of Conductor Pipe (if any): \_\_\_\_\_

Projected Total Depth: 1020

Formation at Total Depth: UPPER CHEROKEE

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: LOWER SQUIRREL

AFFIDAVIT

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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: 6-28-07 Signature of Operator or Agent: Shirley Stotler Title: Production Clerk

JUL 02 2007

CONSERVATION DIVISION  
WICHITA, KS

For KCC Use ONLY  
API # 15 - 031-22319-0000  
Conductor pipe required 0 feet  
Minimum surface pipe required 40 feet per ALT. ☐ I ☒ II  
Approved by: RH 7-3-07  
This authorization expires: 1-3-08  
(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 (within 60 days);
- 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 Date: \_\_\_\_\_  
Signature of Operator or Agent: \_\_\_\_\_

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

1010145

**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 - 031-22319-0000  
 Operator: Colt Energy Inc  
 Lease: BEARD  
 Well Number: 11  
 Field: NEOSHO FALLS-LEROY

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: NW - SE - NW - NE

Location of Well: County: Coffey  
4,560 feet from ☐ N / ☒ S Line of Section  
1,930 feet from ☒ E / ☐ W Line of Section  
 Sec. 11 Twp. 23 S. R. 16 ☒ E ☐ W

Is Section: ☐ Regular or ☒ Irregular

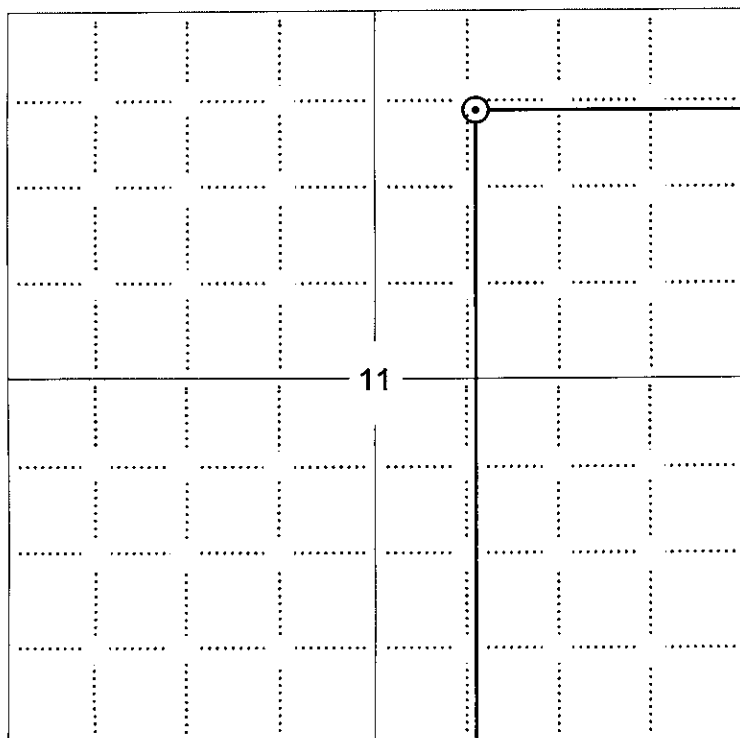
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used: ☐ NE ☐ NW ☒ SE ☐ SW

**PLAT**

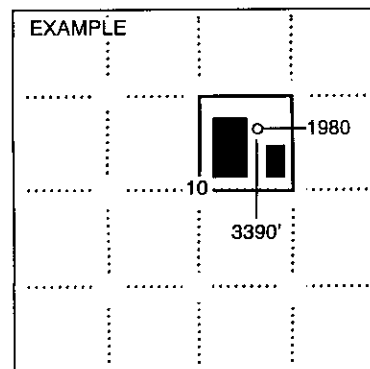
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

*(Show footage to the nearest lease or unit boundary line.)*



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

4560 ft.



SEWARD CO.

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JUL 02 2007

CONSERVATION DIVISION  
WICHITA, KS

**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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

1010145

Form CDP-1  
April 2004  
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

|                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Operator Name: <b>Colt Energy Inc</b>                                                                                                                                                                                                                                                                                      |  | License Number: <b>5150</b>                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| Operator Address: <b>P.O. Box 388</b>                                                                                                                                                                                                                                                                                      |  | <b>Iola KS 66749</b>                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| Contact Person: <b>DENNIS KERSHNER</b>                                                                                                                                                                                                                                                                                     |  | Phone Number: <b>620-365-3111</b>                                                                                                                                                                                                                                                                                                                                                                                               |  |
| Lease Name & Well No.: <b>BEARD 11</b>                                                                                                                                                                                                                                                                                     |  | Pit Location (QQQQ):<br><b>NW SE NW NE</b><br>Sec. <b>11</b> Twp. <b>23</b> R. <b>16</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West<br><b>4,560</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section<br><b>1,930</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section<br><b>Coffey</b> County |  |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><small>(If WP Supply API No. or Year Drilled)</small> |  | Pit is:<br><input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed: _____<br>Pit capacity: <b>80</b> (bbls)                                                                                                                                                                                                                                                             |  |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                   |  | Chloride concentration: _____ mg/l<br><small>(For Emergency Pits and Settling Pits only)</small>                                                                                                                                                                                                                                                                                                                                |  |
| Is the bottom below ground level?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                   |  | Artificial Liner?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                        |  |
| How is the pit lined if a plastic liner is not used?<br><b>NATIVE CLAY SOIL</b>                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Pit dimensions (all but working pits): <b>30</b> Length (feet) <b>15</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits<br>Depth from ground level to deepest point: <b>5</b> (feet) <input type="checkbox"/> No Pit                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| If the pit is lined give a brief description of the liner material, thickness and installation procedure.                                                                                                                                                                                                                  |  | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.                                                                                                                                                                                                                                                                                                                 |  |
| Distance to nearest water well within one-mile of pit<br><b>N/A</b> feet    Depth of water well _____ feet                                                                                                                                                                                                                 |  | Depth to shallowest fresh water _____ feet.<br>Source of information:<br><input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> KDWR                                                                                                                                                                                                   |  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>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><br>Type of material utilized in drilling/workover: <b>NATIVE SOIL</b><br>Number of working pits to be utilized: <b>1</b><br>Abandonment procedure: <b>PUMPED OUT - PUSHED PIT IN</b><br>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>6-28-07</b><br>Date                                                                                                                                                                                                                                                                                                     |  | <b>Shirley Stotler</b><br>Signature of Applicant or Agent                                                                                                                                                                                                                                                                                                                                                                       |  |
|                                                                                                                                                                                                                                                                                                                            |  | <b>RECEIVED</b><br><b>JUL 02 2007</b><br>KANSAS CORPORATION COMMISSION<br>CONSERVATION DIVISION<br>WICHITA, KS                                                                                                                                                                                                                                                                                                                  |  |

15031-2239-0000

|                              |                      |                                    |                                                                                       |                               |
|------------------------------|----------------------|------------------------------------|---------------------------------------------------------------------------------------|-------------------------------|
| <b>KCC OFFICE USE ONLY</b>   |                      | Steel Pit <input type="checkbox"/> | RFAC <input type="checkbox"/>                                                         | RFAS <input type="checkbox"/> |
| Date Received: <b>7/2/07</b> | Permit Number: _____ | Permit Date: <b>7/2/07</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