

For KCC Use: 8-25-07
 Effective Date: _____
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1011404
 OIL & GAS CONSERVATION DIVISION

Form C-1
 November 2005

Form must be Typed
 Form must be Signed
 Plans must be Filled

NOTICE OF INTENT TO DRILL **CORRECTED**

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

X Correction

Expected Spud Date: 08/22/2007
 month day year

OPERATOR: License# 5150
 Name: Coit Energy Inc
 Address 1: PO BOX 388
 Address 2: _____
 City: IOLA State: KS Zip: 66749 + 0388
 Contact Person: DENNIS KERSHNER
 Phone: 620-365-3111

CONTRACTOR: License# 5989
 Name: Finney, Kurt

Well Drilled For: Oil Gas Seismic; # of Holes _____
 Enh Rec Storage Disposal 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 #: _____

** WAS: PTD: 1100 Fme TO: Upper Cherokee
 IS: PTD 1500 Fme TO: Mississippi*

Spot Description: _____
 W2 - W2 - E2 - SW Sec. 16 Twp. 23 S. R. 17 E W
 (or) 1,320 feet from N / S Line of Section
1,500 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 #: 16-54
 Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): LOWER SQUIRREL

Nearest Lease or unit boundary line (In footage): 1320

Ground Surface Elevation: 975 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: 100

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: 1100 X 1500

* Formation at Total Depth: UPPER CHEROKEE X Mississippi

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

RECEIVED
 KANSAS CORPORATION COMMISSION

AUG 20 2007

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: 8-15-07 Signature of Operator or Agent: Shirley Stoller Title: Production Clerk

For KCC Use ONLY
 API # 15 - D31-22326-0000
 Conductor pipe required 0 feet
 Minimum surface pipe required 40 feet per ALT. I II
 Approved by: 8/20/07 / MHS-2407
 This authorization expires: 2-2008
 (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: _____

16
23
17

E
W

Mail to: KCC - Conservation Division, 130 S. Market - Room 2075, Wichita, Kansas 67202

RECEIVED

AUG 24 2007

CONSERVATION DIVISION
 WICHITA, KS