

For KCC Use: 9-16-07
 Effective Date: 9-16-07
 District # 2
 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 09 30 2007
 month day year

OPERATOR: License# 7116
 Name: Kantor Oil Co. LLC
 Address: 15 W. 6th. St. Suite 2601
 City/State/Zip: Tulsa, Oklahoma 74119
 Contact Person: Larry Ressler
 Phone: 620-664-0597

CONTRACTOR: License# 32701
 Name: C & G Drilling Co.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> QWWD	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

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 #: _____

* 240' of minimum 12 inch diameter conductor pipe required per Appendix A of Table I

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: 9-6-07 Signature of Operator or Agent: Larry Ressler Title: Agent

For KCC Use ONLY	
API # 15 -	<u>079-20674-00-00</u>
* Conductor pipe required	<u>240</u> feet
Minimum surface pipe required	<u>0</u> feet per Alt. <u>(1)</u>
Approved by:	<u>SB 9-11-07</u>
This authorization expires:	<u>3-11-08</u>
<i>(This authorization void if drilling not started within 6 months of approval date.)</i>	
Spud date:	Agent:

Spot East
 SW NW SW Sec. 20 Twp. 22S S. R. 3 West
1650 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: Harvey

Lease Name: Schmidt Well #: 1
 Field Name: Hollow Nikkel

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Lansing - Kansas City

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 1448 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: 220 ft.

Depth to bottom of usable water: 220

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 240 ft. of 13 3/8

* Length of Conductor Pipe required: 240' minimum 12 inch diameter

Projected Total Depth: 2600

Formation at Total Depth: Lansing - Kansas City

Water Source for Drilling Operations:

Well Farm Pond Other XXX

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

AFFIDAVIT

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SEP 07 2007

CONSERVATION DIVISION

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: _____

20
22
3W

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 - 079-20674-00-00
Operator: Kantor Oil Co. LLC
Lease: Schmidt
Well Number: 1
Field: Hollow Nikkel
Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: SW - NW - SW

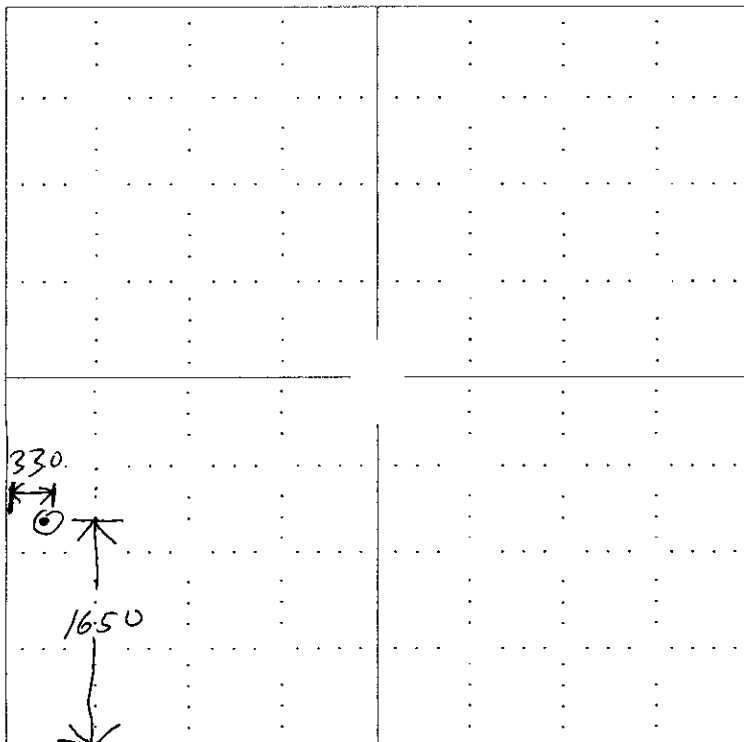
Location of Well: County: Harvey
1650 feet from N / S Line of Section
330 feet from E / W Line of Section
Sec. 20 Twp. 22S S. R. 3 East West

Is Section: Regular or Irregular

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

PLAT

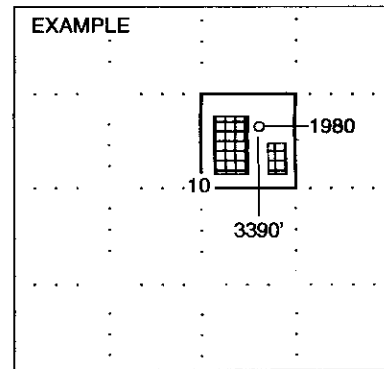
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)*



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WICHITA, KS



SEWARD CO.

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: (C0-7 for oil wells; CG-8 for gas wells).



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

September 10, 2007

Mr. Larry Ressler
Kantor Oil Co., LLC
15 W. 6th St. Ste 2601
Tulsa, OK 74119

Re: Drilling Pit Application
Schmidt Lease Well No. 1
SW/4 Sec. 20-22S-03W
Harvey County, Kansas

Dear Mr. Ressler:

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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

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 (316) 630-4000 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

15-079-20174-00-00