

For KCC Use: 9-2507  
Effective Date: 4  
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 September 21, 2007  
month day year

Spot  East  
NW/4 SW/4 NW/4 Sec. 7 Twp. 12 S. R. 15  West  
1784 feet from  N /  S Line of Section  
236 feet from  E /  W Line of Section

OPERATOR: License# Form OPL-1 Filed (License Number Pending) 34007  
Name: Annexas Development Company  
Address: One North Central Avenue  
Phoenix, AZ 85004  
City/State/Zip:  
Contact Person: W. Noel McAnulty, Jr.  
Phone: 915 833-5809 (Office) 915 471-3316 (Mobile)

Is SECTION  Regular  Irregular?  
(Note: Locate well on the Section Plat on reverse side)  
County: Russell

CONTRACTOR: License# License Application Filed (License Number Pending) 34011  
Name: Wilcox Professional Services

Lease Name: Mid-Con Project Strat Test Well #: 1  
Field Name: Wildcat

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Cable
<input checked="" type="checkbox"/> Other Stratigraphic Test		

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Cedar Hills Fm

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Nearest Lease or unit boundary: 236 ft from West Property Line  
Ground Surface Elevation: 1800 ft feet MSL  
Water well within one-quarter mile:  Yes  No

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: NA  
KCC DKT #: \_\_\_\_\_

Public water supply well within one mile:  Yes  No  
Depth to bottom of fresh water: - 20 ft  
Depth to bottom of usable water: 450 ft (Base of Dakota)

Set surface casing through all  
Unconsolidated material.

**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:

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 20 ft  
Length of Conductor Pipe required: \_\_\_\_\_  
Projected Total Depth: 650 ft  
Formation at Total Depth: Cedar Hills

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: \_\_\_\_\_

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: August 29, 2007 Signature of Operator or Agent: W. Noel McAnulty, Jr. Title: Project Manager

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**AUG 30 2007**

CONSERVATION DIVISION  
WICHITA, KS

**For KCC Use ONLY**  
API # 15 - 167-23457-0000  
Conductor pipe required None feet  
Minimum surface pipe required 20 feet per Alt. 102  
Approved by: W. Noel McAnulty, Jr.  
This authorization expires: 3-20-08  
(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;  
- 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 2078, Wichita, Kansas 67202

7  
12  
15W

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

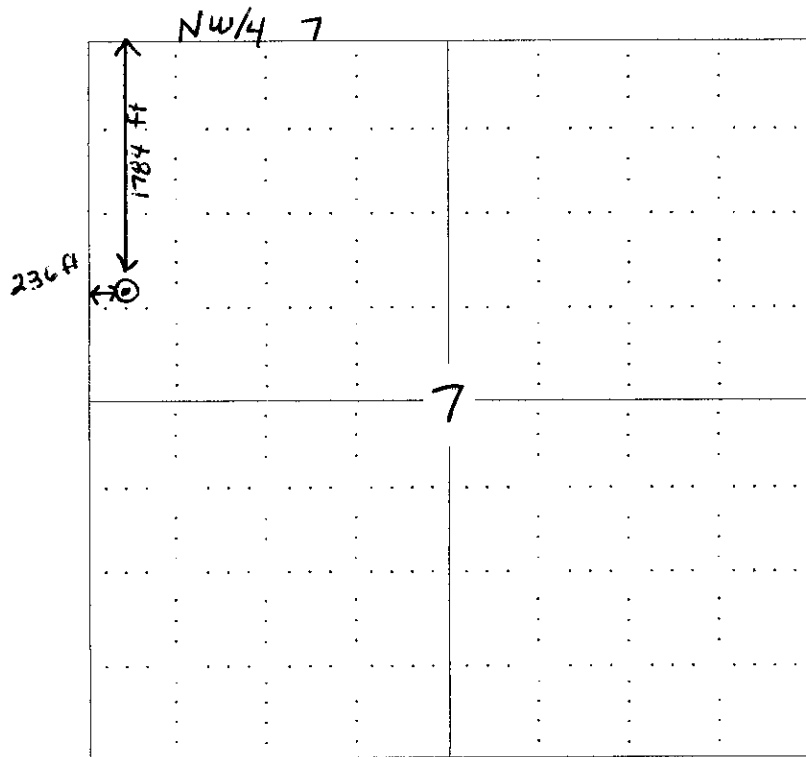
**If the intended well is in a prorated or spaced field, please fully complete this side of the form.** If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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 - 167-23457-0000  
 Operator: Annexas Development Company  
 Lease: Mid-Con Project Strat Test  
 Well Number: 1  
 Field: Wildcat  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: NW/4 - SW/4 - NW/4

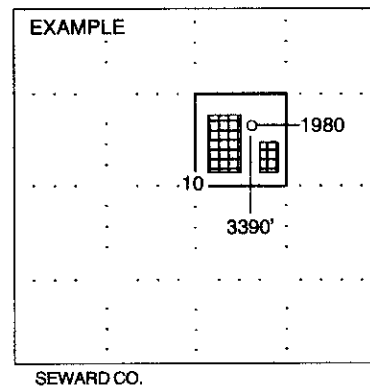
Location of Well: County: Russell  
1784 feet from  N /  S Line of Section  
236 feet from  E /  W Line of Section  
 Sec. 7 Twp. 12 S. R. 15  East  West  
 Is Section:  Regular or  Irregular  
**If Section is Irregular, locate well from nearest corner boundary.**  
 Section corner used:  NE  NW  SE  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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**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).

**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: <b>Annavas Development Company</b>		License Number: <b>OPL-1 Filed (License # Pending)</b>
Operator Address: <b>One North Central Avenue, Phoenix, Az 85004</b>		
Contact Person: <b>W. Noel McNulty, Jr.</b>		Phone Number: ( <b>915</b> ) <b>471 - 3316</b>
Lease Name & Well No.: <b>Mid-Con Project Strat Test # 1</b>		Pit Location (QQQQ): <b>SW/4 - NW/4 - SW/4 - NW/4</b>
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 WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>72 (pit) 500 (steel tank)</b> (bbls)	Sec. <b>7</b> Twp. <b>12</b> R. <b>15</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1784</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>236</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Russell</b> County
Is the pit located in a Sensitive Ground Water Area? <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): <b>16</b> Length (feet) <b>6</b> Width (feet) <b>Yes</b> N/A: Steel Pits Depth from ground level to deepest point: <b>5</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. Standard 6 mil plastic liner in drilling pit dug by backhoe. Pit is for settling drill cuttings; fluids will be pumped into steel tank (500 bbl capacity) for storage prior to removal to injection well.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>Visual inspection of fluid level in pit.</b>
Distance to nearest water well within one-mile of pit None <input checked="" type="checkbox"/> feet    Depth of water well _____ feet		Depth to shallowest fresh water <b>15</b> feet. Source of information: _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: _____ <b>RECEIVED</b> Number of working pits to be utilized: _____ <b>KANSAS CORPORATION COMMISSION</b> Abandonment procedure: _____ <b>AUG 30 2007</b> Drill pits must be closed within 365 days of spud date. <b>CONSERVATION DIVISION WICHITA, KS</b>
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
August 29, 2007 Date		<i>W. Noel McNulty, Jr.</i> Signature of Applicant or Agent

15-167-23457-0000

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>8/30/07</b>	Permit Number: _____	Permit Date: <b>8/30/07</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

# Annavas Development Company

One North Central Avenue, Suite 17-113  
Phoenix AZ 85004 ♦ (602) 366-8045

August 29, 2007

Rick Hesterman  
Conservation Division  
Kansas Corporation Commission  
130 Market Street, Room 2078  
Wichita, KA 67202

ANNAVAS  
KANSAS CORPORATION COMMISSION

AUG 30 2007

CONSERVATION DIVISION  
WICHITA, KS

Dear Mr. Hesterman:


Enclosed are Forms C-1 (Notice of Intent to Drill) and CDP-1 (Application for Surface Pit) for three stratigraphic test holes Annavas Development Company plans to drill in Russell County.

Annavas has filed Form OPL-1, the KCC License Application, but has not yet received our license number. Similarly, the drilling contractor, Wilcox Professional Services, has filed an application for license and that license number also has not yet been received.

Anticipated spud date for the first stratigraphic test hole (Mid Con Project Strat Test #1) is September 21. That start date is about three weeks earlier than originally planned. The change was necessary to accommodate drill rig availability. We would appreciate your expediting the permit for the first drill hole. If you would like, we can re-file the C-1 forms complete with operator's and driller's license numbers when the numbers are available. Meanwhile, you have the pertinent information about the planned drill holes from the forms enclosed today.

These stratigraphic tests are relatively shallow holes. We plan to drill the hole, collect cuttings samples, and cement the holes, bottom to top, as soon as the hole is finished drilling and before the rig is moved off location. No geophysical logs will be run. Herb Deines, Supervisor of the Hay District Office, said that because the holes were to be cemented as soon as total depth is reached, it was not necessary to file Form CP-1, Well Plugging Application. We will file the Well Plugging Record, Form CP-4.

Please notify me by telephone or E-mail if additional information regarding these applications is needed. Thank you for your help.



W. Noel McAnulty, Jr.  
Exploration Manager  
Tel. (915) 471-3316 (Cell) (915) 833-5809 (Office)  
E-Mail: wnoelmc@elp.rr.com