

For KCC Use:
 Effective Date: 10-2-07
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 December 2002

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 November 4th 2007
month day year

OPERATOR: License# 32787
 Name: Kansas Natural Gas Operating, Inc.
 Address: P O Box 815
Sublette, Kansas 67877
 City/State/Zip:
 Contact Person: Steve Lehning
 Phone: 620-675-8185

CONTRACTOR: License# 33784
 Name: Trinidad Drilling Limited Partnership

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

Spot NE SW NE Sec. 05 Twp. 25 S. R. 35 East West
1322' feet from N / S Line of Section
1809' feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Kearny
 Lease Name: Frost Well #: 3 CG-5
 Field Name: Panoma Council Grove

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Council Grove

Nearest Lease or unit boundary: 1322' FNL
 Ground Surface Elevation: 2969.7' 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: 400'
 Depth to bottom of usable water: 870'

Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 900'

Length of Conductor Pipe required: None
 Projected Total Depth: 2985'

Formation at Total Depth: Panoma - Council Grove
 Water Source for Drilling Operations:
 Well Farm Pond Other Hauled Fresh Water

DWR Permit #: _____
 (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

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PRORATED & SPACED - HUBBARD - PANOMA

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. **SEP 24 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.

CONSERVATION DIVISION
 WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 9-20-07 Signature of Operator or Agent: Steven M. Lehning Title: Supt.

For KCC Use ONLY
 API # 15 - 093-21809-0000
 Conductor pipe required None feet
 Minimum surface pipe required 890 feet per Alt. 1
 Approved by: KHL 927-07
 This authorization expires: 3-27-08
 (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: _____

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

5
 25
 35W

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 - ~~New Well~~ 093-21809-0000
 Operator: Kansas Natural Gas Operating, Inc.
 Lease: Frost
 Well Number: 3 CG-5
 Field: Panoma Council Grove
 Number of Acres attributable to well: 640 Acres
 QTR / QTR / QTR of acreage: NE - SW - NE

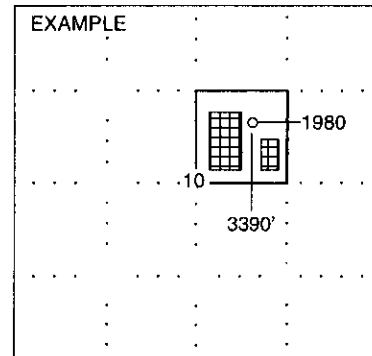
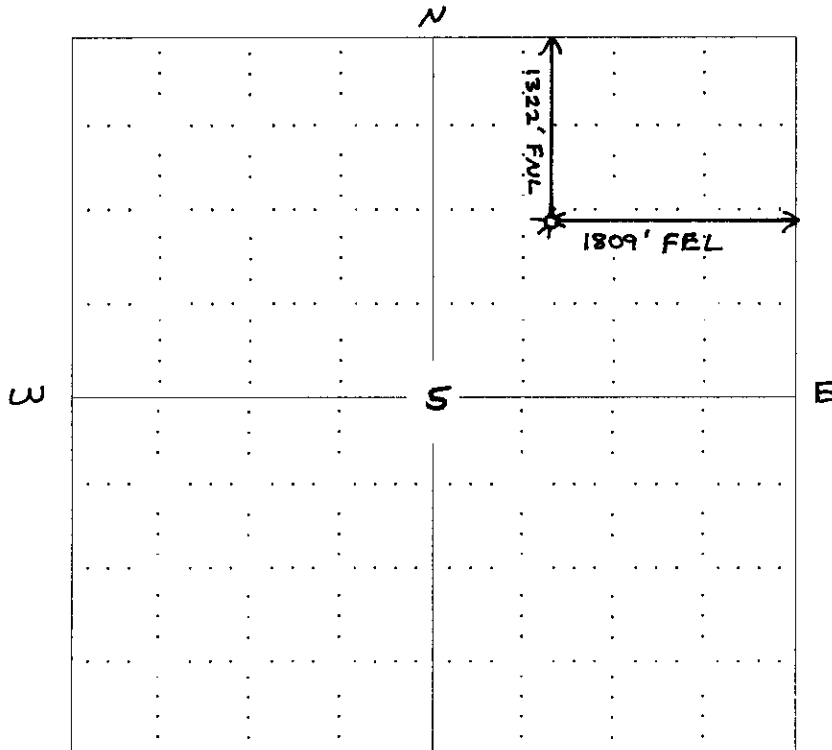
Location of Well: County: Kearny
 1322' _____ feet from N / S Line of Section
 1809' _____ feet from E / W Line of Section
 Sec. 05 Twp. 25 S. R. 35 East West

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.
 (KEARNY COUNTY) S

SEP 24 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 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).

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division
 Finney State Office Building, 130 South Market, Room 2078
 Wichita, Kansas 67202

API NUMBER 15- 093-21809-0000
New Well

LOCATION OF WELL: COUNTY Kearny County

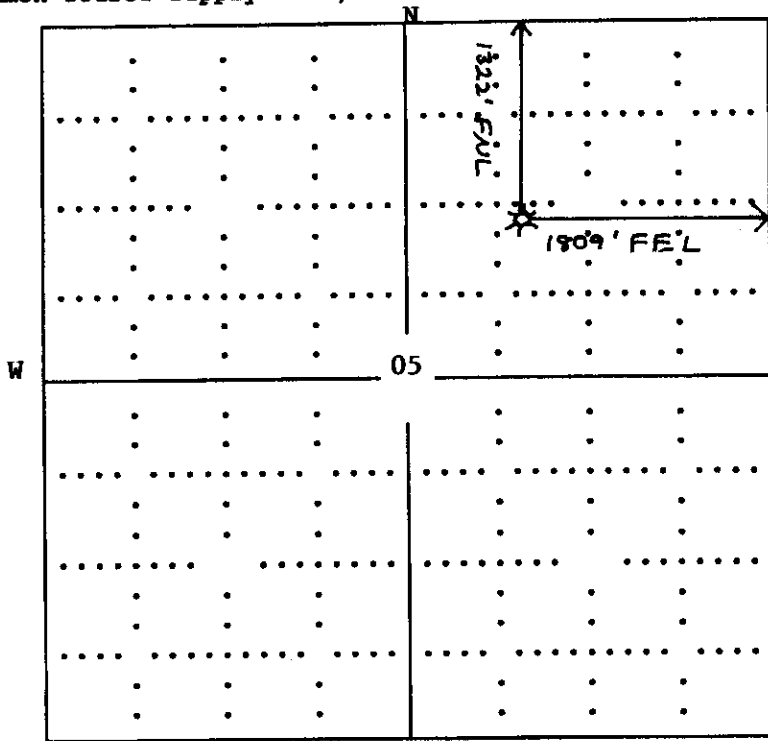
OPERATOR Kansas Natural Gas Operating, Inc.
 LEASE Frost
 WELL NUMBER 3CG-5
 FIELD Panoma - Council Grove

1322' feet from south/north line of section
1809' feet from east/west line of section

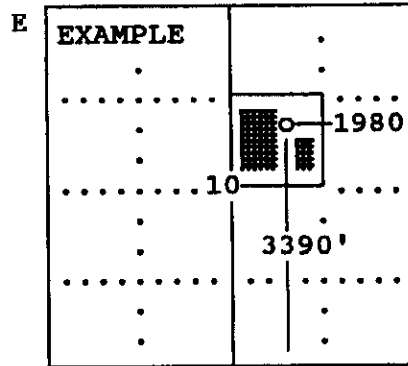
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE NE - SW - NE

SECTION 05 TWP 25 (S) RG 35 E W
 IS SECTION X REGULAR or IRREGULAR
 IF SECTION IS IRREGULAR, LOCATE WELL FROM
 NEAREST CORNER BOUNDARY. (check line below)
 Section corner used: NE NW SE SW

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



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 SEP 24 2007
 CONSERVATION DIVISION
 WICHITA, KS



SEWARD CO.

(Kearny County) S

The undersigned hereby certifies as Superintendent (title) for

Kansas Natural Gas Operating, Inc. (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature Steven M. Lehning, Supr.

Subscribed and sworn to before me on this 20th day of September, 2007

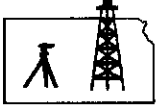
Ky Gross
 Notary Public

My Commission expires _____

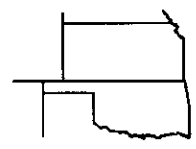


FORM CG-8 (12/94)

15-093-21809-0000



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



v090507-q
PLAT NO.

7030
INVOICE NO.

Kansas Natural Gas Operating, Inc.
OPERATOR

Frost #3CG-5
LEASE NAME

Kearny County, KS
COUNTY

5 25s 35w
Sec. Twp. Rng.

1322'FNL - 1809' FEL
LOCATION SPOT

SCALE: **1" = 1000'**
DATE: **Sept. 5th, 2007**
MEASURED BY: **Burt W.**
DRAWN BY: **Gabe Q.**
AUTHORIZED BY: **Steve L. & Doran K.**

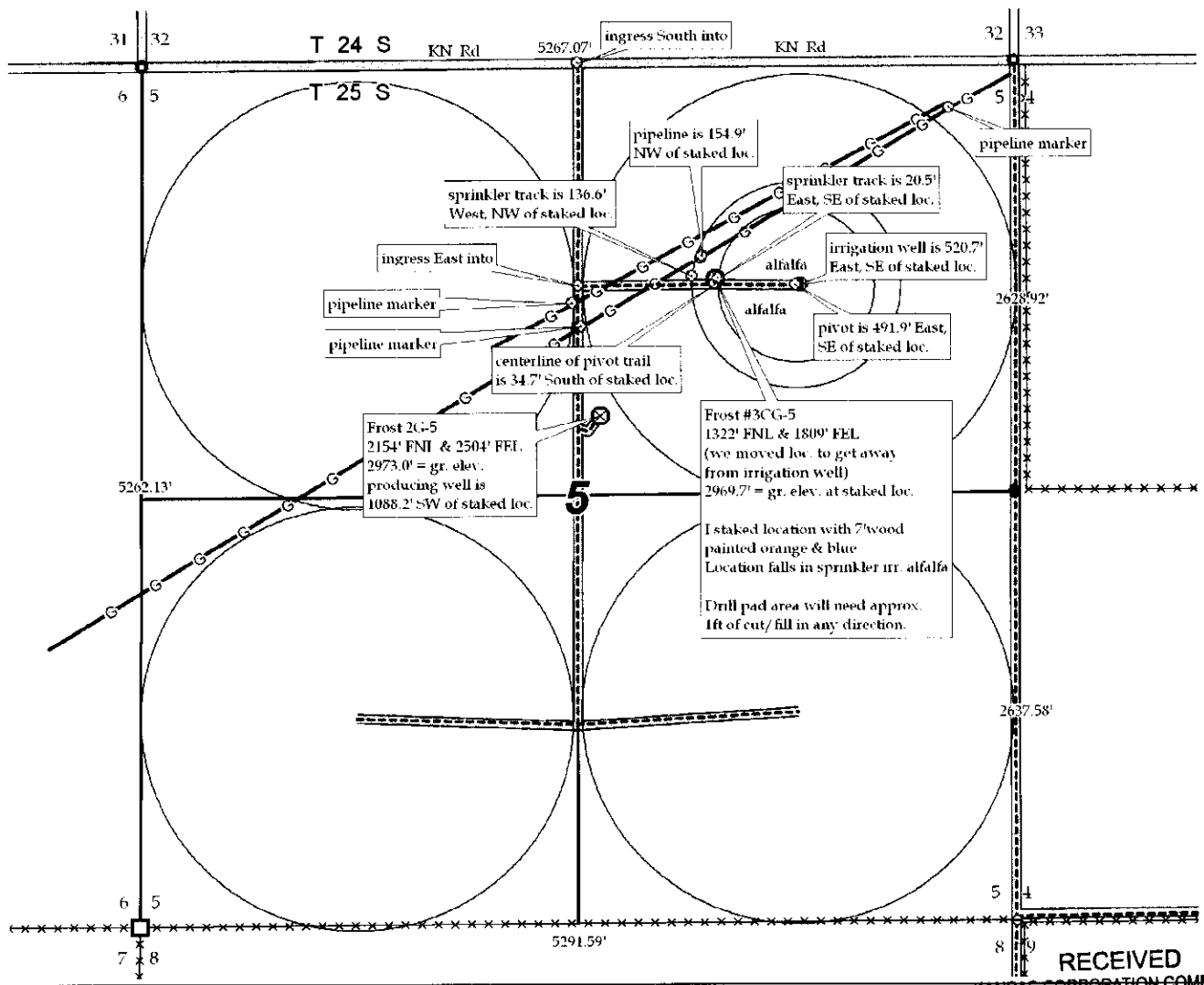


GR. ELEVATION: **2969.7'**

Directions: From the North side of Deerfield, Ks at the intersection of Hwy 50 & Main St. South - Now go 6.1 miles South & SW on Main St. & black top River Rd. - Now go 1 mile West to the NE corner of section 5-25s-35w - Now go 0.5 mile on West to ingress South into - Now go 0.3 mile South to ingress West into - Now go approx. 820' East on pivot trail - Now go 35' North through alfalfa into staked location.

Final ingress must be verified with land owner or Kansas Natural Gas Operating, Inc.

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



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SEP 25 2007

CONSULTING ENGINEER
KANSAS

**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: Kansas Natural Gas Operating, Inc.		License Number: 32787
Operator Address: P. O. Box 815 Sublette, Kansas 67877		
Contact Person: Steve Lehning		Phone Number: (620) 675 - 8185
Lease Name & Well No.: Frost #3CG-5		Pit Location (QQQQ): NE SW NE 1/4 Sec. 05 Twp. 25 R. 35 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1320' ^{1322} Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1732' ^{1809} Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kearny 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 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: 500 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: N/A 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? Gel-Mud
Pit dimensions (all but working pits): 70' Length (feet) 10' Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 6' (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 520' feet Depth of water well 400' feet		Depth to shallowest fresh water 400 feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ 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: Fresh Water - Drill Mud Number of working pits to be utilized: One Abandonment procedure: Evaporate Till Dry - Backfill and spread manure over location. Drill pits must be closed within 365 days of spud date. RECEIVED <small>KANSAS CORPORATION COMMISSION</small>
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<u>9-20-07</u> Date	<i>Steven M. Lehning</i> Signature of Applicant or Agent	SEP 24 2007 CONSERVATION DIVISION WICHITA, KS

15-093-21809-0000

KCC OFFICE USE ONLY			<i>DIST</i>
Date Received: <u>9/24/07</u>	Permit Number: _____	Permit Date: <u>9/26/07</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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