

For KCC Use:

Effective Date: 10-23-07

District #: 4

SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing well

F District #
CORRECTED
10-19-07

Form C-1
December 2002

Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date NOV 14 2007
month day year

OPERATOR: License # 3882
Name: SAMUEL GARY JR. & ASSOCIATES, INC.
Address: 1870 BROADWAY, SUITE 3300
City/State/Zip: DENVER, CO 80202
Contact Person: TOM FERTAL

Phone: (303) 831-4673

CONTRACTOR: License 33350
Name: SOUTHWIND DRILLING

Well Drilled For: Oil Gas OWWO Seismic: Other
 Enh Rec Storage Disposal # 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#: _____

East West
N/2 - NW - SE 1 Twp. 18 S. R. 13
2530 feet from N / S Line of Section
2040 feet from E / W Line of Section
Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on Reverse Side)

County: BARTON

Lease Name: NICHOLSON Well #: 1-1

Field Name: _____

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): ARBUCKLE

Nearest Lease or unit boundary: 600' per lease boundary map

Ground Surface Elevation: _____ Est. 1800 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: _____ 150'

Depth to bottom of usable water: _____ 300'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: _____ 320'

Length of Conductor pipe required: _____ NONE

Projected Total Depth: _____ 3370'

Formation at Total Depth: _____ ARBUCKLE

Water Source for Drilling Operations:

Well Farm Pond Other X

DWR Permit #: N/A

(Note: Apply for Permit with DWR)

Will Cores Be Taken? Yes No

If yes, proposed zone: N/A

* WAS: District 2
IS: District 4

AFFIDAVIT

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 18 2007

CONSERVATION DIVISION
WICHITA, KS

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 a 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 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: OCTOBER 17, 2007 Signature of Operator or Agent: _____ Title: GEOLOGIST

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: _____

For KCC use ONLY
API # 15 - 009-25115-0000
Conductor pipe required NONE feet
Minimum surface pipe required 320 feet per Alt. 1
Approved by: [Signature] 10/18/07 10/19/07
This authorization expires: 4-18-08
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

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

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13W