

For KCC Use:  
 Effective Date: 3-7-07  
 District #: 4  
 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 March 15 2007  
month day year

Spot 100'W & 90'N  East  
SE NW SW Sec. 32 Twp. 12 S. R. 17  West  
1740 feet from  N /  S Line of Section  
890 feet from  E /  W Line of Section

OPERATOR: License# 8754 ✓  
 Name: Pyle Petroleum  
 Address: 212 Old Grande Blvd., C100  
 City/State/Zip: Tyler, Texas 75703  
 Contact Person: John L. Schmeidler  
 Phone: (785) 625-5146

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

CONTRACTOR: License# 33493 ✓  
 Name: American Eagle

County: Ellis  
 Lease Name: James Staab Well #: 6  
 Field Name: Reed

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"/> OWO	<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	

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): L/KC, Arbuckle ✓  
 Nearest Lease or unit boundary: 890 ✓

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

Ground Surface Elevation: 2045 feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

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

Depth to bottom of fresh water: 180' ✓  
 Depth to bottom of usable water: 700' ✓  
 Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 200 ✓  
 Length of Conductor Pipe required: None ✓  
 Projected Total Depth: 3800' ✓  
 Formation at Total Depth: Arbuckle ✓

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: \_\_\_\_\_

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:

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: 2/28/07 Signature of Operator or Agent: John L. Schmeidler Title: Regional Manager

For KCC Use ONLY  
 API # 15 - 051-25630-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per Alt. **Y02**  
 Approved by: PA 3-2-07  
 This authorization expires: 9-2-07  
 (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: John L. Schmeidler  
 Date: MAR 01 2007

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

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 CONSERVATION DIVISION  
 WICHITA, KS

SEP 14 2007