

For KCC Use:
Effective Date: 12-22-07
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 12 26 07
month day year

OPERATOR: License# 33325
Name: Petroleum Development Corporation
Address: 1775 Sherman St. Suite 3000
City/State/Zip: Denver, CO 80203
Contact Person: James Annable
Phone: 303-905-4340

CONTRACTOR: License# 33532
Name: Advanced Drilling Technologies

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

If OWWO: old well information as follows:
Operator: NA
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 East
NE SW NW Sec. 16 Twp. 5 S. R. 42 West
1869 feet from N / S Line of Section
1129 feet from E / W Line of Section

Is SECTION _____ Regular Irregular?

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

County: Cheyenne

Lease Name: Armknrecht Well #: 12-16

Field Name: Cherry Creek Niobrara Gas Area

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Niobrara

Nearest Lease or unit boundary: 1129'

Ground Surface Elevation: 3647' 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: 200'

Depth to bottom of usable water: 200'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor Pipe required: Not Required

Projected Total Depth: 1550'

Formation at Total Depth: Niobrara

Water Source for Drilling Operations:

Well Farm Pond Other X

DWR Permit #: Drilling Contractor will apply.

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

RECEIVED

KANSAS CORPORATION COMMISSION

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. **DEC 14 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.

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

Date: 12/12/07 Signature of Operator or Agent: [Signature] Title: Sr. Regulatory Consultant

For KCC Use ONLY
API # 15 - 023-20856-0000
Conductor pipe required None feet
Minimum surface pipe required 250 feet per Alt. 1
Approved by: [Signature] 12-17-07
This authorization expires: 12-17-08
(This authorization void if drilling not started within 12 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

16
5
42W

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 - 023-20856-0000
Operator: Petroleum Development Corporation
Lease: Armknacht
Well Number: 12-16
Field: Cherry Creek Niobrara Gas Area

Number of Acres attributable to well: NA
QTR / QTR / QTR of acreage: NE - SW - NW

Location of Well: County: Cheyenne
1869 feet from N / S Line of Section
1129 feet from E / W Line of Section
Sec. 16 Twp. 5 S. R. 42 East West

Is Section: Regular or Irregular

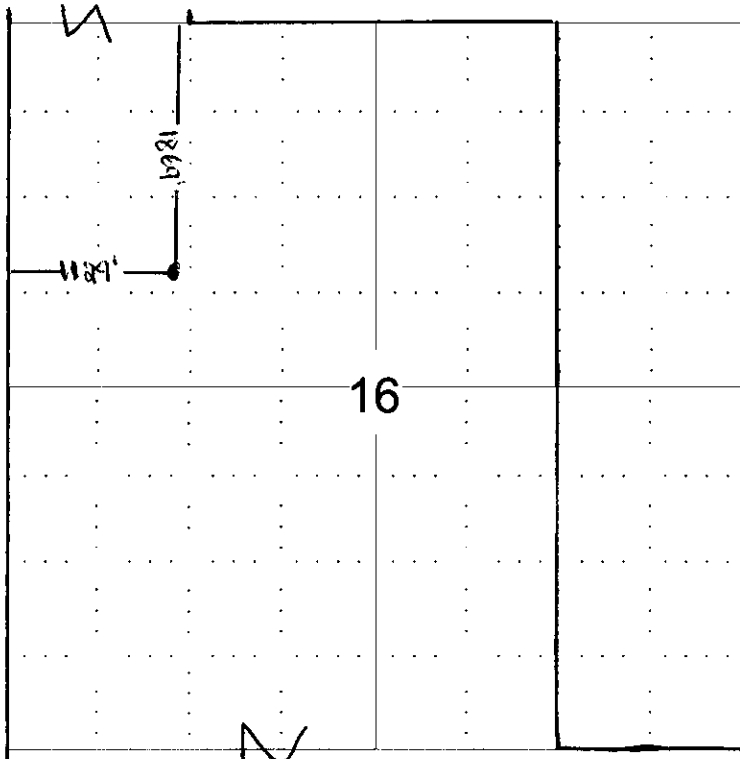
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

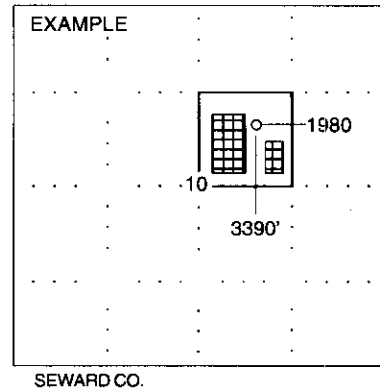
(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



NOTE: In all cases locate the spot of the proposed drilling location.

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DEC 14 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).

15-023-20856-0000

WELL LOCATION CERTIFICATE

SECTION 16, TOWNSHIP 5 SOUTH, RANGE 42 WEST, 6TH P.M.

S 88°29'34" E 5309.60

NW 1/4 SEC 16
CALCULATED OFF
OF ROW FENCES

NE 1/4 SEC 16
CALCULATED OFF
OF ROW FENCES

N 01°58'44" E 5178.03'

S 02°10'21" W 5240.36'

1869' — ARMKNECHT 12-16

1129'

SURFACE LOCATION
GROUND ELEVATION = 3647'
LAT: LONG = 39 62052"N
102.04627"W

16

NOTES:
VERTICAL DRILL WELL
LAND SURFACE USE IS AGRICULTURAL
PASTURE
NO VISIBLE IMPROVEMENTS WITHIN 200'

SW 1/4 SEC 16
CALCULATED OFF
OF ROW FENCES





(BASIS OF BEARINGS)

N 87°49'11" W 5291.74'

SE 1/4 SEC. 16
FOUND NAIL AT
CENTER ROAD

I HEREBY STATE TO PETROLEUM DEVELOPMENT CORPORATION THAT THIS WELL LOCATION CERTIFICATE INDICATES THE WELL **ARMKNECHT 12-16** TO BE LOCATED 1869' FNL AND 1129' FWL, SEC 16, T5S, R42W 6th P M

LEGEND

-  = FOUND MONUMENT
-  = PROPOSED WELL
-  = EXISTING WELL
-  = EXISTING FENCE



SCALE: 1"=1000'

BASIS OF BEARINGS AS SHOWN ABOVE

GROUND ELEVATION SHOWN IS APPROXIMATE AND IS BASED ON AN OBSERVED GPS ELEVATION (NAVD 1988 DATUM)


LAT. & LONG. SHOWN ARE BASED ON AN OBSERVED GPS OBSERVATION (NAD 1983/92) WITH A PDOP VALUE OF LESS THAN SIX (6)

ALL DISTANCES ARE FIELD MEASURED UNLESS OTHERWISE NOTED
DISTANCES TO WELL ARE SHOWN PERPENDICULAR TO SECTION LINES

THIS IS NOT A MONUMENTED BOUNDARY SURVEY. IT IS ONLY A DRAWING INTENDED TO DEPICT THE WELL LOCATION TO SECTION LINES

REVISIONS	
INITIAL	DATE
LB	12-07-2007

PREPARED BY



PFS
Petroleum Field Services, LLC
1801 W. 13th. Street
Denver, CO 80204

WELL DATE
1-29-2007

DRAWING DATE
12-03-2007

BY:
RDR

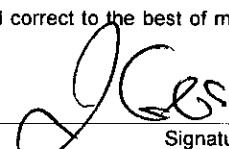
WELL NAME
ARMKNECHT 12-16

SURFACE LOCATION
CHEYENNE COUNTY, KANSAS
SW 1/4 NW 1/4, SEC. 16, T5S, R42W

**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: Petroleum Development Corporation		License Number: 33325
Operator Address: 1775 Sherman St, Suite 3000 Denver, CO 80203		
Contact Person: James Annable		Phone Number: (303) 905 - 4340
Lease Name & Well No.: Armknacht 12-16		Pit Location (QQQQ): NE SW NW
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: 1200 (bbls)	Sec. 16 Twp. 5S R. 42 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1869 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1129 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Cheyenne 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Natural Clay/bentonite
Pit dimensions (all but working pits): 50 Length (feet) 30 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. NA		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA
Distance to nearest water well within one-mile of pit 400 feet Depth of water well 170 feet		Depth to shallowest fresh water 120 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> 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: Bentonite mud Number of working pits to be utilized: 1 Abandonment procedure: Evaporation/backfill Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
_____ 12/12/07 Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION DEC 14 2007 CONSERVATION DIVISION WICHITA, KS

15023-20856-0000

KCC OFFICE USE ONLY			
Date Received: 12/14/07	Permit Number: _____	Permit Date: 12/14/07	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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