

For KCC Use: 12-22-07
 Effective Date: _____
 District #: _____
 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 7 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"/> OWWO	<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
 NW - NW - NE Sec. 21 Twp. 5 S. R. 42 West
330 feet from N / S Line of Section
2310 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: Armknecht Well #: 31-21
 Field Name: Cherry Creek Niobrara Gas Area
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Niobrara
 Nearest Lease or unit boundary: 1041'
 Ground Surface Elevation: 3713' 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: 208' 220
 Depth to bottom of usable water: 200' 220
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 270 min
 Length of Conductor Pipe required: Not Required
 Projected Total Depth: 1600'
 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: _____

AFFIDAVIT

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

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. **CONSERVATION DIVISION WICHITA, KS**
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: JCS Title: Sr. Regulatory Consultant

For KCC Use ONLY
 API # 15 - 023-20858-0000
 Conductor pipe required None feet
 Minimum surface pipe required 270 feet per Alt. 1
 Approved by: PWW 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

21
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 - 023-20858-0000
 Operator: Petroleum Development Corporation
 Lease: Armknacht
 Well Number: 31-21
 Field: Cherry Creek Niobrara Gas Area
 Number of Acres attributable to well: NA
 QTR / QTR / QTR of acreage: NW - NW - NE

Location of Well: County: Cheyenne
330 feet from N / S Line of Section
2310 feet from E / W Line of Section
 Sec. 21 Twp. 5 S. R. 42 East West

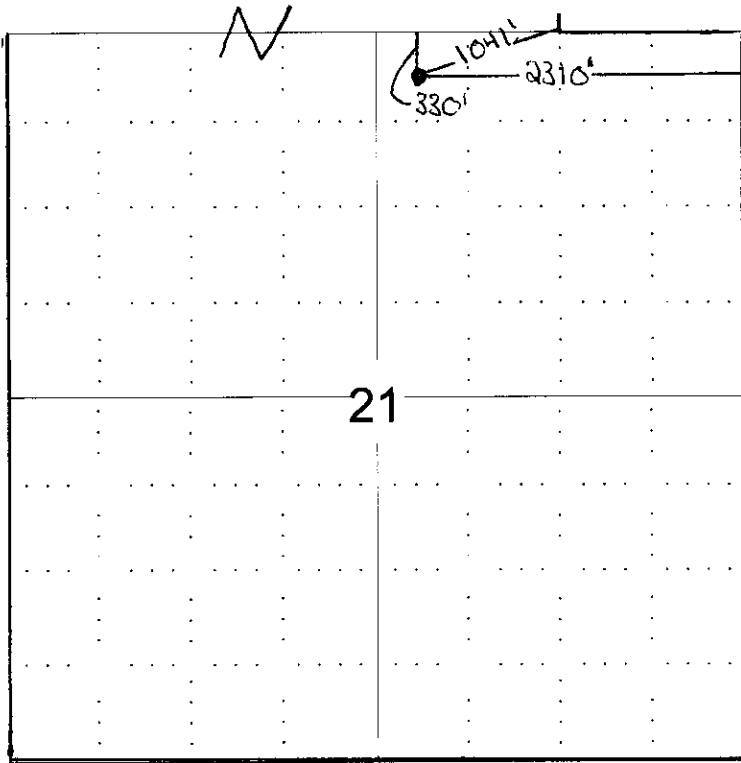
Is Section: Regular or Irregular

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

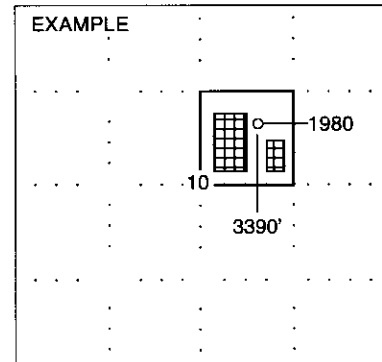
Section corner used: NE NW SE SW

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.)*



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 DEC 14 2007
 CONSERVATION DIVISION
 WICHITA, KS



SEWARD CO.

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

In plotting the proposed location of the well, you must show:

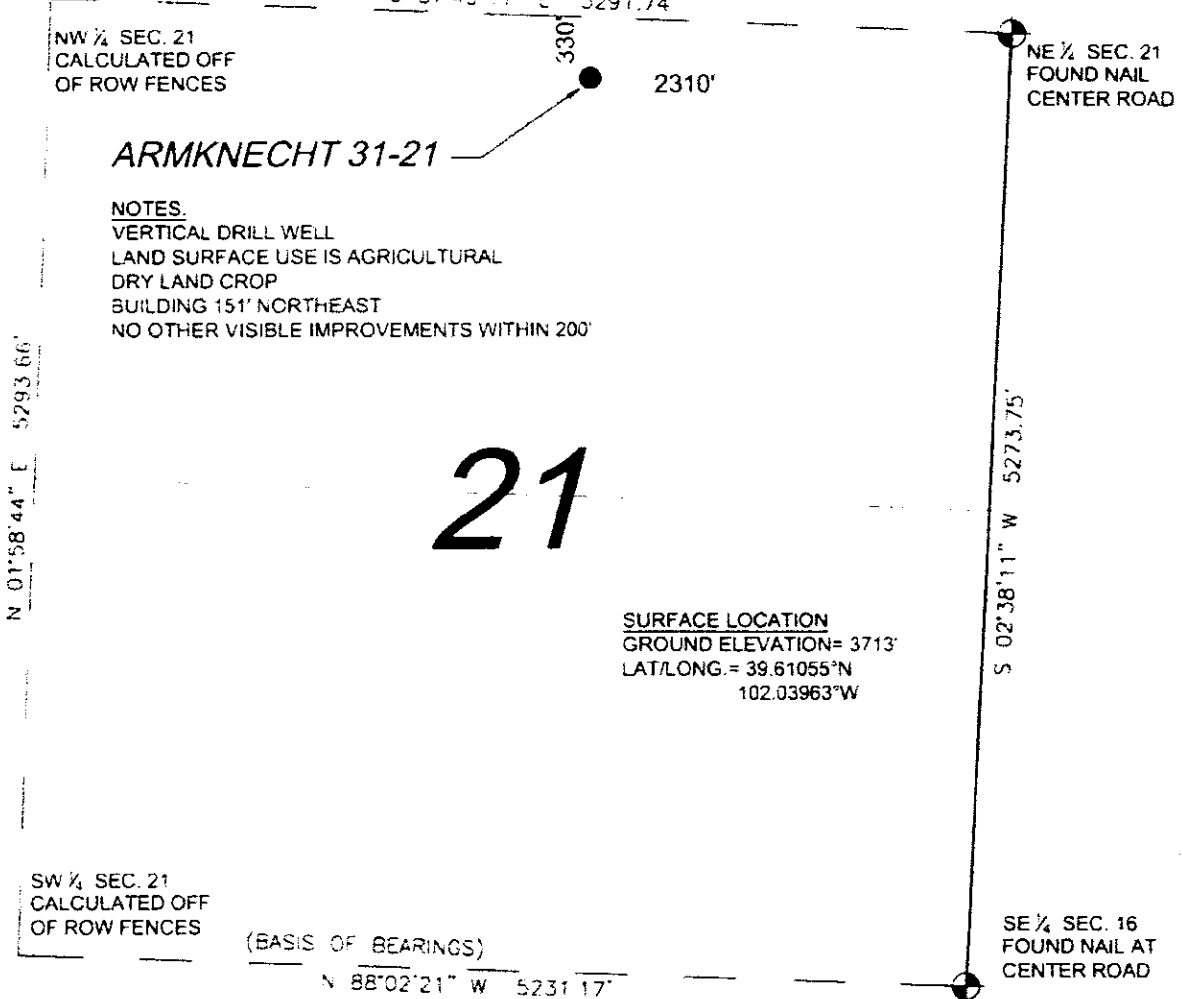
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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).

15-023-20858-0000

WELL LOCATION CERTIFICATE

SECTION 21, TOWNSHIP 5 SOUTH, RANGE 42 WEST, 6TH P.M.

S 87°49'11" E 5291.74'



ARMKNECHT 31-21

NOTES:
 VERTICAL DRILL WELL
 LAND SURFACE USE IS AGRICULTURAL
 DRY LAND CROP
 BUILDING 151' NORTHEAST
 NO OTHER VISIBLE IMPROVEMENTS WITHIN 200'

SURFACE LOCATION
 GROUND ELEVATION= 3713'
 LAT/LONG = 39.61055°N
 102.03963°W

SW 1/4 SEC. 21
 CALCULATED OFF
 OF ROW FENCES

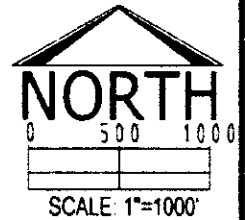
(BASIS OF BEARINGS)

N 88°02'21" W 5231.17'

I HEREBY STATE TO PETROLEUM DEVELOPMENT CORPORATION THAT THIS WELL LOCATION CERTIFICATE INDICATES THE WELL **ARMKNECHT 31-21** TO BE LOCATED 330' FNL AND 2310' FEL. SEC. 21, T5S, R42W 6th P.M.

LEGEND

- ⊕ = FOUND MONUMENT
- = PROPOSED WELL
- = EXISTING WELL
- = EXISTING BUILDING



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

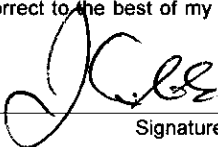
THIS IS NOT A MONUMENTED BOUNDARY SURVEY, IT IS ONLY A DRAWING INTENDED TO DEPICT THE WELL LOCATION TO SECTION LINES

<p>REVISIONS</p> <table border="1"> <thead> <tr> <th>INITIAL</th> <th>DATE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		INITIAL	DATE											<p>PREPARED BY</p> <p>PFS Petroleum Field Services, LLC 1801 W. 13th. Street Denver, CO 80204</p>	<p>FIELD DATE 11-29-2007</p> <p>DRAWING DATE 12-03-2007</p> <p>BY RDR</p>	<p>WELL NAME ARMKNECHT 31-21</p> <p>SURFACE LOCATION CHEYENNE COUNTY, KANSAS NW 1/4 NE 1/4, SEC. 21, T5S, R42W</p>
INITIAL	DATE															

**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.: Armknecht 31-21		Pit Location (QQQQ): _____ NW _____ NW _____ NE Sec. 21 Twp. 5S R. 42 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2310 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Cheyenne 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: 1200 (bbls)	
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 3500 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

15-023-2008580000

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

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