

For KCC Use: Effective Date: 12-22-07 District # _____ SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 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: DEC. 19 2007 month day year

Spot Description: S/2-N/4 NW - SW - SW Sec. 17 Twp. 34 S. R. 15 E W

OPERATOR: License# 32960 Name: YUKON PROPERTIES LLC Address 1: 8419 FLORENCE AVE- Suite D Address 2: _____ City: DOWNEY State: CA Zip: 90240 Contact Person: TOM BRUCE Phone: 620 330-3535

3,150 feet from N / S Line of Section 3,960 feet from E / W Line of Section

CONTRACTOR: License# 33374 Name: L&S WELL SERVICE LLC

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

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic; # of Holes Other Well Class: Infield Pool Ext. Wildcat Other Type Equipment: Mud Rotary Air Rotary Cable If OWWO: old well information as follows:

County: MONTGOMERY Lease Name: VAVERKA Well #: YPV#1 Field Name: COFFEYVILLE

Operator: _____ Well Name: _____ Original Completion Date: _____ Original Total Depth: _____

Is this a Prorated / Spaced Field? Yes No Target Formation(s): ARBUCKLE Nearest Lease or unit boundary line (in footage): 510

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

Ground Surface Elevation: 860 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: 100 Depth to bottom of usable water: 100-175 Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe (if any): _____ Projected Total Depth: 1620 Formation at Total Depth: 1620 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: _____

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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:

DEC 14 2007

- 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 1730 W. 10th St., Topeka, KS

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

Date: 12-11-07 Signature of Operator or Agent: Tom Bruce Title: Agent

For KCC Use ONLY API # 15 - 125-31494-0000 Conductor pipe required None feet Minimum surface pipe required 20 feet per ALT. I II Approved by: 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 (within 60 days); - 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 Date: _____ Signature of Operator or Agent: _____

17 34 15 E W

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

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 - 125-31494-0000
Operator: YUKON PROPERTIES LLC
Lease: VAVERKA
Well Number: YPV#1
Field: COFFEYVILLE

Location of Well: County: MONTGOMERY
3,150 feet from N / S Line of Section
3,960 feet from E / W Line of Section
Sec. 17 Twp. 34 S. R. 15 E W

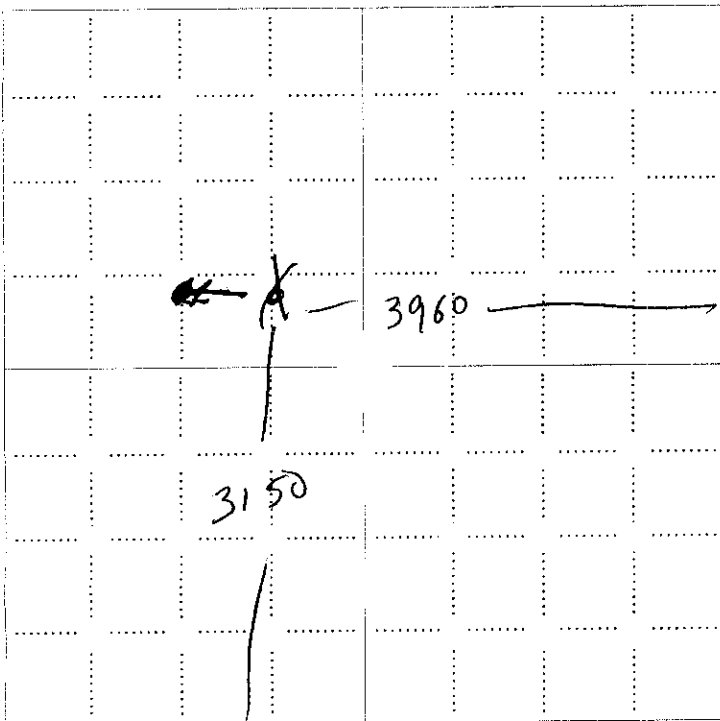
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: NW SW SW
S/2 NW

Is Section: Regular or Irregular

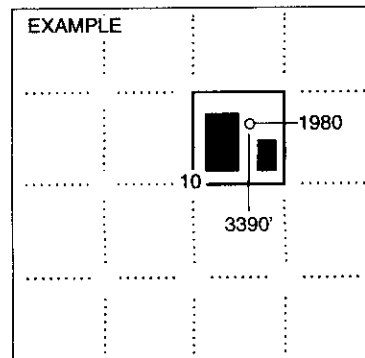
If Section is irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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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WICHITA, KS



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

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

**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: YUKON PROPERTIES LLC		License Number: 32960	
Operator Address: 8419 FLORENCE AVE- Suite D		DOWNEY CA. 90240	
Contact Person: TOM BRUCE		Phone Number: 620 330-3535	
Lease Name & Well No.: VAVERKA YPV#1		Pit Location (QQQQ): 5/2 NW NW SW SW	
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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 200 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>	
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? DRILLING MUD			
Pit dimensions (all but working pits): <u>60</u> Length (feet) <u>12</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (feet) <input type="checkbox"/> No Pit			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. AS SOON AS WELL IS DRILLED PIT WILL BE DRANED AND FILLED.1	
Distance to nearest water well within one-mile of pit NA <u>2989</u> feet Depth of water well <u>145</u> feet		Depth to shallowest fresh water <u>28 50</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> 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: _____ Number of working pits to be utilized: _____ Abandonment procedure: LET DRY FILL PIT 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.		RECEIVED KANSAS CORPORATION COMMISSION	
Date: <u>12-11-07</u>		DEC 14 2007 CONSERVATION DIVISION WICHITA, KS	
Signature of Applicant or Agent: <u>Tom Bruce</u>			
KCC OFFICE USE ONLY			
Date Received: <u>12/14/07</u> Permit Number: _____		Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>	
Permit Date: <u>12/14/07</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

15-125-21494-2007

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