

For KCC Use:
Effective Date: 01/27/2008
District # 1
SGA? Yes No

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: 1/30/2008
month day year

OPERATOR: License# 3842
Name: Larson Engineering, Inc. dba Larson Operating Company
Address 1: 562 W STATE RD 4
Address 2:
City: OLMITZ State: KS Zip: 67564 + 8561
Contact Person: Tom Larson
Phone: 620-653-7368
CONTRACTOR: License# 33935
Name: H. D. Drilling, LLC

Spot Description:
SE SW NW SW Sec. 33 Twp. 18 S. R. 29 E W
(a/a/a) 1,594 feet from N / S Line of Section
338 feet from E / W Line of Section

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

County: Lane
Lease Name: Murphy Well #: 1-33
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): L-KC, Marmaton, Cherokee

Nearest Lease or unit boundary line (in footage): 338
Ground Surface Elevation: 2822 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: 1400

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 250

Length of Conductor Pipe (if any):
Projected Total Depth: 4650

Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
 Well Farm Pond Other: water hauler

DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone:

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Disposal Wildcat Cable
 Seismic: # of Holes Other
 Other:
 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 #:

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.

Submitted Electronically

For KCC Use ONLY
API # 15-101-22072-00-00
Conductor pipe required 0 feet
Minimum surface pipe required 200 feet per ALT. I II
Approved by: Rick Hestermann 01/23/2008
This authorization expires: 01/22/2009
(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:



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 - 15-101-22072-00-00

Operator: Larson Engineering, Inc. dba Larson Operating Company

Lease: Murphy

Well Number: 1-33

Field: Wildcat

Number of Acres attributable to well: 160

QTR/QTR/QTR/QTR of acreage: SE - SW - NW - SW

Location of Well: County: Lane

1,594 feet from N / S Line of Section

338 feet from E / W Line of Section

Sec. 33 Twp. 18 S. R. 29 E W

Is Section: Regular or Irregular

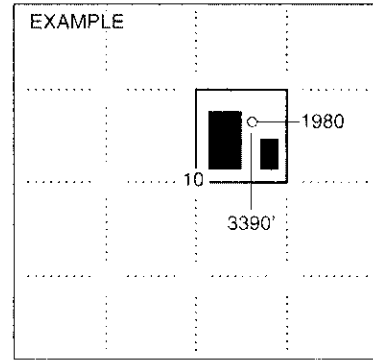
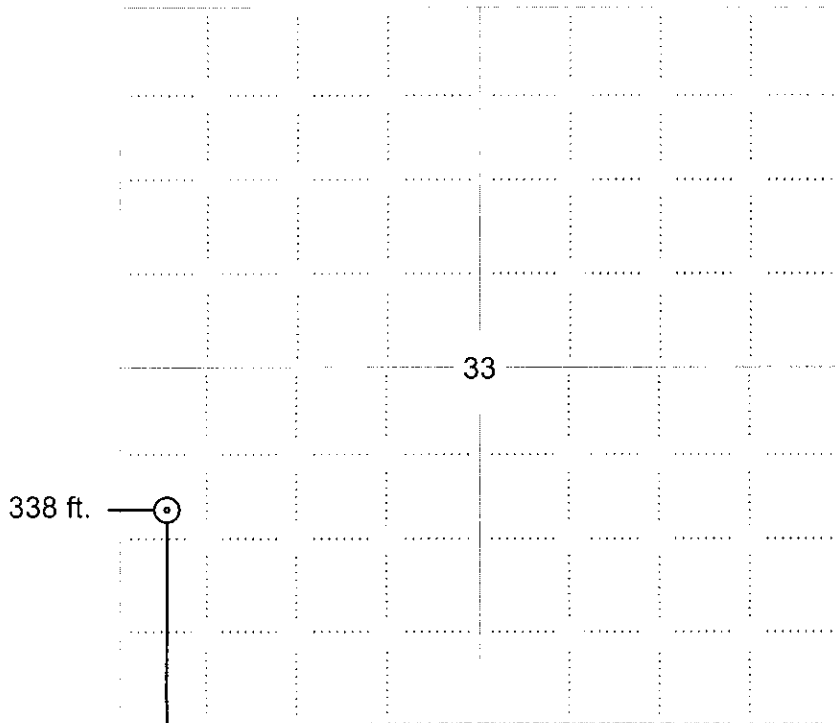
If Section is Irregular, locate well from nearest corner boundary.

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.

1594 ft.

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).



APPLICATION FOR SURFACE PIT

Submit in Duplicate

| | | |
|---|---|---|
| Operator Name: Larson Engineering, Inc. dba Larson Operating Company | | License Number: 3842 |
| Operator Address: 562 W STATE RD 4 | | OLMITZ KS 67564 |
| Contact Person: Tom Larson | | Phone Number: 620-653-7368 |
| Lease Name & Well No.: Murphy 1-33 | | Pit Location (QQQQ): SE SW NW 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 type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: 1/18/2008 Pit capacity: 6,400 (bbls) | Sec. 33 Twp. 18 R. 29 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,594 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 338 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Lane _____ County _____ |
| 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? native mud & bentonite clay |
| Pit dimensions (all but working pits): 80 Length (feet) 80 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 3 (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. |
| Distance to nearest water well within one-mile of pit 2328 feet Depth of water well 90 feet | | Depth to shallowest fresh water 55 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: fresh water mud Number of working pits to be utilized: 3 Abandonment procedure: Allow to dry then backfill. Drill pits must be closed within 365 days of spud date. |
| Submitted Electronically | | |

KCC OFFICE USE ONLY

Steel Pit RFAC RFAS Date Received: 01/18/2008 Permit Number: 15-101-22072-00-00 Permit Date: 01/18/2008 Lease Inspection: Yes No

Summary of Changes

Lease Name and Number: Murphy 1-33

API: 15-101-22072-00-00

Doc ID: 1015819

Correction Number: 1

Approved By: Rick Hestermann 01/23/2008

| Field Name | Previous Value | New Value |
|-----------------------------|-------------------------------|-------------------------------|
| API | 15-101-24258-00-00 | 15-101-22072-00-00 |
| KCC Only - API Number | 15-101-24258-00-00 | 15-101-22072-00-00 |
| KCC Only - Approved By | Rick Hestermann 01/22/2008 | Rick Hestermann 01/23/2008 |
| KCC Only - Permit Number | 15-101-24258-00-00 | 15-101-22072-00-00 |