

* Corrected Dates
CORRECTED

* For KCC Use:
Effective Date: 3-11-08
District #: 4
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: March 26 2008
month day year

Spot Description: 60' 20N
N 1/2 - S 1/2 - SE Sec. 17 Twp. 13 S. R. 15 E W
(0000) 1,010 feet from N / S Line of Section
1,380 feet from E / W Line of Section

OPERATOR: License# 33933
Name: Poverty Oil LLC
Address 1: 2713 Ash Street
Address 2:
City: Hays State: KS Zip: 67601
Contact Person: Ed Glassman
Phone: 785-259-5807

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: Russell
Lease Name: Geldenkauf Well #: 1
Field Name: Kuhs

CONTRACTOR: License# 33493
Name: American Eagle

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle

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

Nearest Lease or unit boundary line (in footage): 60 pending unitization agreement
Ground Surface Elevation: 1860 estimated 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: 35
Depth to bottom of usable water: 440
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 965
Length of Conductor Pipe (if any):
Projected Total Depth: 3450
Formation at Total Depth: Arbuckle

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

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:

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

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 05 2008
CONSERVATION DIVISION
WICHITA, KS

Oil & Gas Leases w/pooling clauses submitted. **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 correct to the best of my knowledge and belief.

Date: 02/28/2008 Signature of Operator or Agent: Ed Glassman Title: Geologist

For KCC Use ONLY
API # 15 - 167-23499-0000
Conductor pipe required None feet
Minimum surface pipe required 460 feet per ALT
Approved by: Ed Glassman / Print 3-7-08 (corrected date)
This authorization expires: 3-6-09
(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:

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

* WAS: Effective 3-10-08 IS: 3-11-08
WAS: Approved 3-5-08 IS: 3-6-08
WAS: Expires 3-5-09 IS: 3-6-09

17
13
15
 E
 W