

For KCC Use: Effective Date: 3-4-08 District #: 4 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Lease Name **CORRECTED** 3-1808

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: 3/25/08 month day year

OPERATOR: License# 3956 Name: Brungardt Oil & Leasing, Inc. Address 1: P.O. Box 871 Address 2: City: Russell State: KS Zip: 67665 Contact Person: Gary L. Brungardt Phone: 785-483-4975 CONTRACTOR: License# 5184 Name: Shields Oil Producers

Spot Description: SE - NW - NE Sec. 22 Twp. 13 S. R. 12 E W feet from 710 feet from 1,710 N S E W Line of Section

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

* Lease Name: Larry Hoke #1 **Thielen A** Well #: 1 Field Name: Unknown

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Arbuckle Nearest Lease or unit boundary line (in footage): 710'

Ground Surface Elevation: 1684 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: 180

Depth to bottom of usable water: 300

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe (if any): NONE

Projected Total Depth: 3500

Formation at Total Depth: 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:

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

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 #:

*WAS: Lease name: Larry Hoke #1 IS: " " Thielen A

AFFIDAVIT

RECEIVED KANSAS CORPORATION COMMISSION CONSERVATION DIVISION

MAR 17 2008 FEB 23 2008

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 a well with 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: 2/26/08 Signature of Operator or Agent: Gary L. Brungardt Title: Owner

For KCC Use ONLY API # 15 - 167-23493-0000 Conductor pipe required None feet Minimum surface pipe required 200 feet per ALT. I II Approved by: Fun 2-2808/KRM 3-1808 This authorization expires: 2-28-09 (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:

22 13 12