

For KCC Use: 3-31-08
 Effective Date: 4
 District # 4
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 December 2002
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 April 3 2008
month day year

OPERATOR: License# 9860
 Name: Castle Resources Inc.
 Address: PO Box 87
 City/State/Zip: Schoenchen, KS 67667
 Contact Person: Jerry Green
 Phone: 785-625-5155

CONTRACTOR: License# 30606
 Name: Murfin Drilling Company Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input checked="" 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: _____
 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 NW SE SE Sec. 3 Twp. 15 S. R. 21 East West
1030 feet from N / S Line of Section
1020 feet from E / W Line of Section

Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Trego
 Lease Name: Garrison Well #: 1
 Field Name: wildcat

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Cherokee

Nearest Lease or unit boundary: 1020'

Ground Surface Elevation: 2143 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: 120

Depth to bottom of usable water: 200-650

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe required: n/a

Projected Total Depth: 3900

Formation at Total Depth: Cherokee

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: _____

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 to the best of my knowledge and belief.

Date: 3/18/08 Signature of Operator or Agent: [Signature] Title: President

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CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 195-22538-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per Alt. X(2)
 Approved by: [Signature]
 This authorization expires: 3-26-09
 (This authorization void if drilling not started within 1/2 months of effective 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: _____

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MAR 26 2008

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

CONSERVATION DIVISION
 WICHITA, KS

3-15-210

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 - 195-22538-0000

Operator: Castle Resources Inc.

Lease: Garrison

Well Number: 1

Field: wildcat

Number of Acres attributable to well: _____

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

Location of Well: County: Trego

1030 feet from N / S Line of Section

1020 feet from E / W Line of Section

Sec. 3 Twp. 15 S. R. 21 East West

Is Section: Regular or Irregular

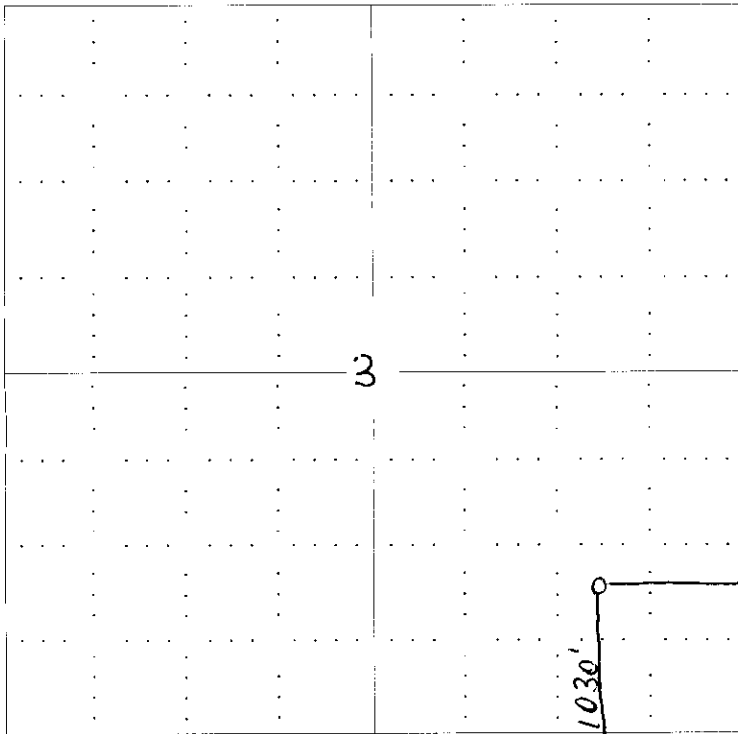
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

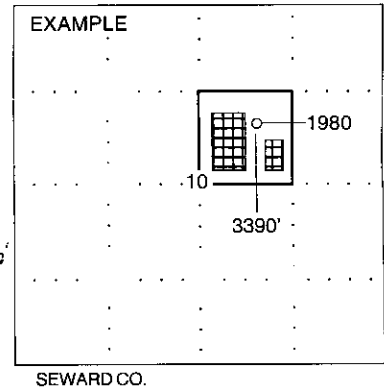
(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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

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MAR 26 2008

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: (C0-7 for oil wells; CG-8 for gas wells).

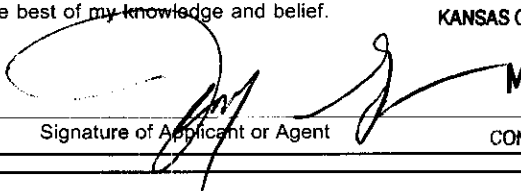
CONSERVATION DIVISION
 WICHITA, KS

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Castle Resources Inc.		License Number: 9860
Operator Address: PO Box 87 Schoenchen, KS 67667		
Contact Person: Jerry Green		Phone Number: (785) 625 - 5155
Lease Name & Well No.: Garrison #1		Pit Location (QQQQ): NW SE SE
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: 500 (bbls)	Sec. 3 Twp. 15 R. 21 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1030 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1020 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Trego County
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? sealed with bentonite
Pit dimensions (all but working pits): 60 Length (feet) 60 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)		
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. RECEIVED KANSAS CORPORATION COMMISSION MAR 20 2008 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit 4809 feet Depth of water well 68 feet		Depth to shallowest fresh water 48 feet. Source of information: _____ measured _____ well owner _____ electric log _____ 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: Drilling mud Number of working pits to be utilized: 3 Abandonment procedure: Allow contents to dry + 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. RECEIVED KANSAS CORPORATION COMMISSION MAR 26 2008 CONSERVATION DIVISION WICHITA, KS		
Date: 3/18/08		Signature of Applicant or Agent: 
KCC OFFICE USE ONLY		
Date Received: 3/26/08 Permit Number: _____ Permit Date: 3/26/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

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



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

March 26, 2008

Mr. Jerry Green
Castle Resources, Inc.
PO Box 87
Schoenchen, KS 67667

RE: Drilling Pit Application
Garrison Lease Well No. 1
SE/4 Sec. 03-15S-21W
Trego County, Kansas

Dear Mr. Green:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. **Please keep all pits away from any draws.**

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

A handwritten signature in black ink that reads "Kathy Haynes".

Kathy Haynes
Environmental Protection and Remediation Department

cc: File