

Correction *Name Change on Lease or Well Name

For KCC Use: Effective Date: April 21, 2007 District # 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 October 2007 CORRECTED

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: April 24, 2007 month day year

Spot Description: SW NE SE Sec. 1 Twp. 35 S. R. 11 E W 1,655 feet from N S Line of Section 855 feet from E W Line of Section

OPERATOR: License# 33874 Name: Custer Oil & Gas, LLC Address 1: Post Office Box 628 Address 2: City: Barnsdall State: OK Zip: 74002 Contact Person: Dustin Kerbs Phone: (918) 847-2531 CONTRACTOR: License# 33890 Name: Performance Drilling Company

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

County: Chautauqua Lease Name: Carrie Crane Well #: 07-2 Field Name: Peru-Sedan

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

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Peru, Prue, Mississippi Chat Nearest Lease or unit boundary line (in footage): 855' Ground Surface Elevation: 947' 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: 280' Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: 60' Length of Conductor Pipe (if any): Projected Total Depth: 1500' Formation at Total Depth: Mississippi Chat

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

Water Source for Drilling Operations: Well Farm Pond Other: Turner Tank Truck Service DWR Permit #: (Note: Apply for Permit with DWR)

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

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

WAS: Lease name: C.W. Smith Is: Lease name: Carrie Crane

AFFIDAVIT

RECEIVED KANSAS CORPORATION COMMISSION

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:

MAY 14 2008

CONSERVATION DIVISION WICHITA, KS

- 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: 4/13/07 Signature of Operator or Agent:

Title: Agent

For KCC Use ONLY API # 15 - 019-26797-0000 Conductor pipe required None feet Minimum surface pipe required 40 feet per ALT. I II Approved by: RH 4-16-07 / 5-15-07 This authorization expires: 10-16-07 (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:

1 35 11 E W