

\* API #  
**CORRECTED**

For KCC Use: 6-30-08  
Effective Date: \_\_\_\_\_  
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: July 16, 2008  
month day year

Spot Description: 28' W & 94' S  
E/2 - SW - SW Sec. 21 Twp. 13 S. R. 15  E  W  
(0000) 566 feet from  N /  S Line of Section  
970 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: 785-259-5801

Is SECTION:  Regular  Irregular?

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

CONTRACTOR: License# 33493 ✓  
Name: American Eagle Drilling

County: Russell  
Lease Name: Kate Barlow Well #: 1  
Field Name: Lacey

Is this a Prorated / Spaced Field?  Yes  No

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

Target Formation(s): Arbuckle ✓  
Nearest Lease or unit boundary line (in footage): 566' ✓  
Ground Surface Elevation: 1868 Estimated \_\_\_\_\_ feet MSL

Water well within one-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Depth to bottom of fresh water: 35'  
Depth to bottom of usable water: 440'

Surface Pipe by Alternate:  I  II  
Length of Surface Pipe Planned to be set: 650' Alt I

Directional, Deviated or Horizontal wellbore?  Yes  No

Length of Conductor Pipe (if any): None  
Projected Total Depth: 3400

If Yes, true vertical depth: \_\_\_\_\_

Formation at Total Depth: Arbuckle

Bottom Hole Location: \_\_\_\_\_

Water Source for Drilling Operations:  
 Well  Farm Pond  Other: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR)

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

**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.

JUN 20 2008

It is agreed that the following minimum requirements will be met:

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: June 15, 2008 Signature of Operator or Agent: [Signature] Title: Geologist

For KCC Use ONLY

API # 15 - 167-23521-00-00

Conductor pipe required None feet

Minimum surface pipe required 460 feet per ALT.  I  II

Approved by: NH 6-25-08 / Ret 7-9-08

This authorization expires: 6-25-09  
(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: API # 15-167-23522-0000  
IS: API # 15-167-23521-0000

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