

For KCC Use:
 Effective Date: 9-1-08
 District # _____
 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: September 25 2008
month day year

OPERATOR: License# 33392
 Name: Keith F. Walker Oil & Gas Company, LLC
 Address 1: 103 West Boyd Street
 Address 2: _____
 City: Norman State: OK Zip: 73069
 Contact Person: Alan L. Stacy
 Phone: 405-701.0676

CONTRACTOR: License# 34000
 Name: Kenai Mid-Continent

<u>Well Drilled For:</u>	<u>Well Class:</u>	<u>Type Equipment:</u>
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic ; _____ # of Holes	<input checked="" type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Infield	
	<input type="checkbox"/> Pool Ext.	
	<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 Description: _____
 NW - SE - _____ Sec. 28 Twp. 31 S. R. 30 E W
(00000) 2,490 feet from N / S Line of Section
1,980 feet from E / W Line of Section

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

County: Meade
 Lease Name: Ginger Kay Well #: 28 #3

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Chester
 Nearest Lease or unit boundary line (in footage): 1980

Ground Surface Elevation: 2760 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: 500

Depth to bottom of usable water: 500
 Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 1600'
 Length of Conductor Pipe (if any): _____

Projected Total Depth: 5900'
 Formation at Total Depth: Chester

Water Source for Drilling Operations:
 Well Farm Pond Other: _____

DWR Permit #: Applying for permit
 (Note: Apply for Permit with DWR)

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

Consolidated Gas Lease hold Attached.

AFFIDAVIT

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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: 8/15/2008 Signature of Operator or Agent: [Signature] Title: Engineer Tech

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: _____

For KCC Use ONLY
 API # 15 - 119-21223-0000
 Conductor pipe required None feet
 Minimum surface pipe required 1520 feet per ALT. I II
 Approved by: [Signature]
 This authorization expires: 8-27-09
(This authorization void if drilling not started within 12 months of approval date.)
 Spud date: _____ Agent: _____

28
31
30
 E
 W

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 - 119-21223-0000
Operator: Keith F. Walker Oil & Gas Company, LLC
Lease: Ginger Kay
Well Number: 28 #3
Field: _____

Location of Well: County: Meade
_____ feet from N / S Line of Section
2,490 feet from E / W Line of Section
1,980
Sec. 28 Twp. 31 S. R. 30 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: NW - SE - _____

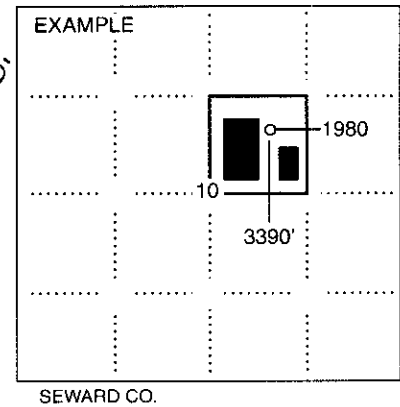
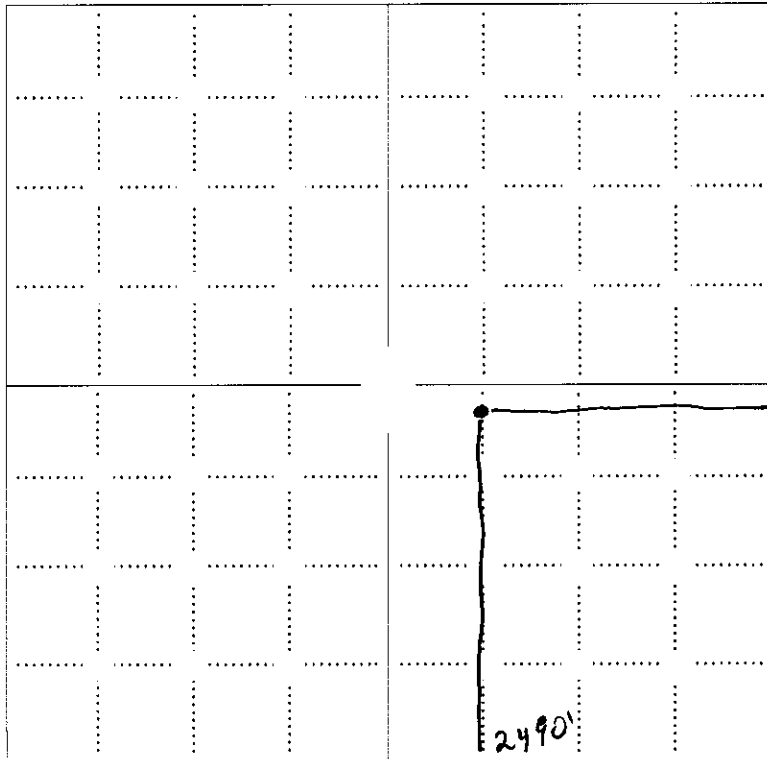
Is Section: Regular or Irregular

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.)*



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AUG 20 2008
CONSERVATION DIVISION
WICHITA, KS

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

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division
Finney State Office Building, 130 South Market, Room 2078
Wichita, Kansas 67202

API NUMBER 15- 119-21223-0000

LOCATION OF WELL: COUNTY Meade

OPERATOR Keith F Walker Oil & Gas Company

LEASE Finger Kay

WELL NUMBER 28 #3

FIELD

2490 feet from south/north line of section
1980 feet from east/west line of section

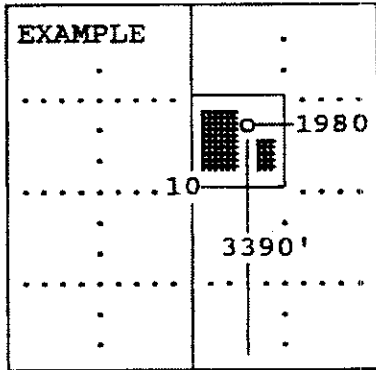
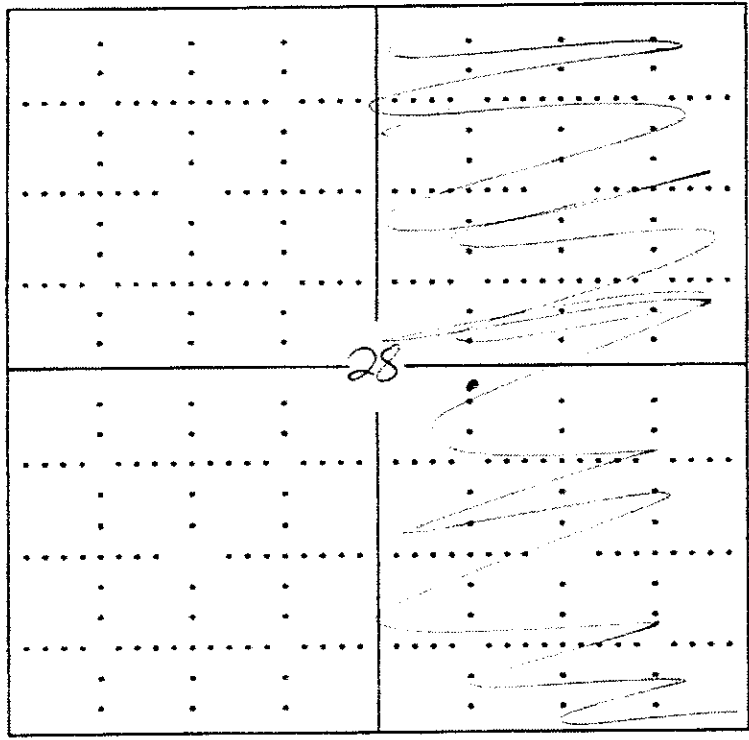
SECTION 28 TWP 31 (S) RG 30 E/W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 320

QTR/QTR/QTR OF ACREAGE E/2 - -

IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM
NEAREST CORNER BOUNDARY. (check line below)
Section corner used: NE NW SE SW

(Show the location of the well and shade attributable acreage for prorated or spaced wells).
(Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



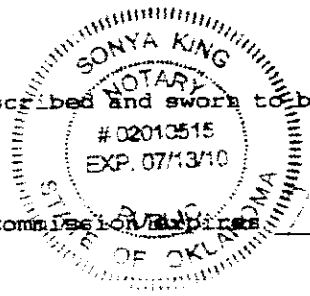
SEWARD CO.

The undersigned hereby certifies as V.P. Land & Marketing (title) for

Keith F. Walker Oil & Gas Company, L.L.C. (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature [Handwritten Signature]

Subscribed and sworn to before me on this 25 day of August, 2008

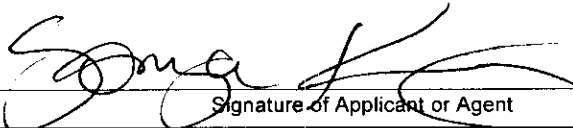


[Handwritten Signature] Notary Public

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Keith F. Walker Oil & Gas Company, LLC		License Number: 33392
Operator Address: 103 West Boyd Street		Norman OK 73069
Contact Person: Alan L. Stacy		Phone Number: 405-701.0676
Lease Name & Well No.: Ginger Kay 28 #3		Pit Location (QQQQ): SW - SW^{N/A} - NW - 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: 12,000 (bbls)	Sec. 28 Twp. 31 R. 30 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,490 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,980 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Meade County
Is the pit located in a Sensitive Ground Water Area? <input 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? Compaction
Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) Depth from ground level to deepest point: 5 (feet)		<input checked="" type="checkbox"/> N/A: Steel Pits <input type="checkbox"/> No Pit
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.
Distance to nearest water well within one-mile of pit 2962 feet Depth of water well 290 feet		Depth to shallowest fresh water 210 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> 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: Fresh water mud Number of working pits to be utilized: 1 Abandonment procedure: Evaporate & 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
<u>08/15/2008</u> Date	 Signature of Applicant or Agent	AUG 20 2008 CONSERVATION DIVISION WICHITA, KS
KCC OFFICE USE ONLY		
Date Received: 8/20/08	Permit Number: _____	Permit Date: 8/20/08 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-19-21223-0000

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, KEITH F. WALKER OIL & GAS CO., L.L.C. is the owner of record of the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the described leases grant to the Lessee, its heirs, administrators, trustees and assigns, the right and privilege to consolidate said gas leasehold with any other adjacent or contiguous gas leasehold estates to form a consolidated gas leasehold estate and the Lessor's gas royalty estate created by the leases so as to create by combination of one or more consolidated gas leasehold estates of Three Hundred and Twenty (320) acres each; and

WHEREAS, the undersigned desires to exercise the consolidation and unitization rights granted to it under each of the leases herein specifically described.

NOW, THEREFORE, the undersigned, present owner of all of the right, title and interest of the original Lessee in, to and under the leases described in Exhibit A, pursuant to consolidation and unitization provisions of said oil and gas leases, does hereby designate and describe the following lands as a consolidated gas leasehold estate for the purpose of exploration, development and production of gas:

Township 31 South, Range 30 West, 6th P.M.:
Section 28: E/2
Meade County, Kansas

Executed the 25 day of June, 2007, but EFFECTIVE as of April 12, 2007.

KEITH F. WALKER OIL & GAS COMPANY, L.L.C.

John P. Gilbert

John P. Gilbert, Vice-President of Land and Marketing

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AUG 20 2008

CONSERVATION DIVISION
WICHITA, KS

STATE OF OKLAHOMA)
) §
COUNTY OF CLEVELAND)

BEFORE ME, the undersigned authority, on this day personally appeared John P. Gilbert, known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the Vice-President of Land and Marketing of Keith F. Walker Oil & Gas Company, L.L.C. and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER my hand and seal of office this 25 day of June, 2007.

My Commission Expires: 11-10-09

Rebecca A. Casey

Notary Public: Rebecca A. Casey

