



For KCC Use:
 Effective Date: 09/14/2008
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1021763
 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: 9/20/2008
 month day year

OPERATOR: License# 5150
 Name: Colt Energy Inc
 Address 1: PO BOX 388
 Address 2: _____
 City: IOLA State: KS Zip: 66749 + 0388
 Contact Person: Dennis Kershner
 Phone: 620-365-3111

CONTRACTOR: License# _____
 Name: Advise on ACO-1 --Must be licensed by KCC

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Seismic; # of Holes Wildcat Cable
 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: _____
 SW - SW - SW - SW Sec. 7 Twp. 34 S. R. 17 E W
 (a/a/a/a) 2,230 feet from N / S Line of Section
600 feet from E / W Line of Section

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

Lease Name: Wagner Well #: 5-7
 Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Pennsylvanian Coals

Nearest Lease or unit boundary line (in footage): 350
 Ground Surface Elevation: 724 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: 150

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe (if any): _____
 Projected Total Depth: 1200

Formation at Total Depth: Mississippian Ls.

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.

RECEIVED
 SEP 18 2009
 KCC WICHITA

Submitted Electronically

For KCC Use ONLY
 API # 15 - 15-125-31785-00-00
 Conductor pipe required 0 feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: Rick Hestermann 09/09/2008
 This authorization expires: 09/09/2009
 (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: 9-15-09
 Signature of Operator or Agent: Shuley Stotler Production Clerk

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

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