

For KCC Use:  
Effective Date: 07/15/2008  
District # 3  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION 1019908  
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: 07/15/2008  
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:  Oil  Gas  Enh Rec  Storage  Disposal  Seismic; # of Holes  Other  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  Cable

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:  
N2 SE SE SW Sec. 28 Twp. 32 S. R. 17  E  W  
(a/a/c/a) 360 feet from  N /  S Line of Section  
2,310 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: Knoles Well #: 14-28  
Field Name: Cherokee Basin CBM

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

Nearest Lease or unit boundary line (in footage): 500  
Ground Surface Elevation: 811 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: Mississippi

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: penn coals

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  
OCT 16 2009  
KCC WICHITA

Submitted Electronically

For KCC Use ONLY  
API # 15 - 15-125-31712-00-00  
Conductor pipe required 0 feet  
Minimum surface pipe required 20 feet per ALT.  I  II  
Approved by: Rick Hestermann 07/10/2008  
This authorization expires: 07/10/2009  
(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: 10-14-09  
Signature of Agent: Shirley Stetler Production Clerk

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

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