KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 08-16-04

District #: 4

SGA? Yes No

Expected Spud Date: August 19th 2004

OPERATOR: Licensee: 32924
Name: Gilbert-Stewart Operating LLC
Address: 1801 Broadway Suite 450
City/State/Zip: Denver, CO 80202
Contact Person: Kent L. Gilbert
Phone: (303) 534-1868

CONTRACTOR: Licensee: 33350
Name: Southwind Drilling

Well Drilled For: Oil Gas OGW Disposal OTHER
Well Class: Enr Rec Storage Disposal OTHER
Type Equipment: Infield Mud Rotary Wildcat OTHER
Seismic: # of Holes OTHER

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

Directional, Deviated or Horizontal well: Yes No

If Yes, true vertical depth: KANSAS CORPORATION COMMISSION

Bottom Hole Location: AUG 11 2004
KCC DKT #: CONSERVATION DIVISION WICHITA, KS

Spot

NW SW SE
990' feet from N S
2310' feet from E W

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

County: Russell
Lease Name: H&G
Well #: 1
Field Name: Hall Gurney

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

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 1777' feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No
Publ depth to bottom of fresh water: 180'
Depth to bottom of usable water: 300'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 300'
Length of Conductor Pipe required: 
Projected Total Depth: 3300'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Well Farm Pond Other
DWR Permit #: If needed Drilng Contr will Apply for

Will Cores be taken? Yes No

(Note: Apply for Permit with DWR)

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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: August 10, 1004
Signature of Operator or Agent: Title: Manager

For KCC Use ONLY
API # 15 - 167 23265 0000
Conductor pipe required NONE feet
Minimum surface pipe required 320 feet per mile
Approved by: RSP 21-04
This authorization expires 21-05
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

Remember to:
- File Drill Permit Application (form DCP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plot according to field description orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- 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
Signature of Operator or Agent:

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

3-15-12W
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 -
Operator: Gilbert-Stewart Operating LLC
Lease: LHG
Well Number: 1
Field: Hall Gurney

Location of Well: County: Russell
990' feet from N / S Line of Section
2310' feet from E / W Line of Section
Sec: 3 Twp: 15 S. R. 12
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.)

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).