NOTICE OF INTENT TO DRILL

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

For KCC Use:

Effective Date: 11-21-04
District #: 1
SGA? Yes ☑ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Expected Spud Date: November 21, 2004

OPERATOR: License#: 5056
Name: F.G. Holl Company, L.L.C.
Address: 9431 E. Central, Suite #100
City/State/Zip: Wichita, Kansas 67206-2543
Contact Person: Franklin R. Greenbaum
Phone: (316) 684-8481

CONTRACTOR: License#: 5929
Name: Duke Drilling Company, Rig #8

Well Drilled For:
 Oil ☑
 Gas ☑
 OWO ☑
 Seismic: # of Holes
 Other:

Well Class:
 Enh Rec ☑
 Storage ☑
 Disposal ☑
 Wildcat ☑
 Cable ☑
 Infield ☑
 Pool Ext. ☑
 Air Rotary ☑
 Mud Rotary ☑

Type Equipment:

If OWO: 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:

N.W. 150' N.O. of Sec. 6 Twp. 21 S. R. 14

feet from N / ☑ S Line of Section

feet from E / ☑ W Line of Section

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

County: Stafford
Lease Name: BEAGLEY "B"
Field Name: Frey NW

Is this a Prorated / Spaced Field?
Yes ☑ No ☐

Target Information(s):
LKC & Arbuckle

Nearest Lease or unit boundary:
330'

Ground Surface Elevation: Est. 1935

Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate:
Yes ☑ No ☐

Length of Surface Pipe Planned to be:
800'

Length of Conductor Pipe required:
None

Projected Total Depth:

Formation at Total Depth:
Arbuckle

Water Source for Drilling Operations:

Well ☑ Farm Pond ☐ Other

DWR Permit #:
(Contractor will apply)

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.

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

Date: 11/10/2004
Signature of Operator or Agent:

Title: Exploration Manager

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NOV 1 2 004
KCC WICHITA

For KCC Use ONLY

API # 15 - 185. 23286.00.00

Conductor pipe required: None feet

Minimum surface pipe required: 280 feet per Alt.

Approved by:

This authorization expires: 3.16.05
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: 11-21-04
Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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 - Location of Well: County: Stafford
Operator: F.G. Holl Company, L.L.C. 1140 feet from N / ✓ S Line of Section
Lease: BEAGLEY "B" 330 feet from E / ✓ W Line of Section
Well Number: 1-6 Sec. 6 Twp. 21 S. R. 14
Field: Frey NW □ East ✓ West
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: NW - SW - SW

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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KCC WICHITA

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).
November 15, 2004

Mr. Franklin R. Greenbaum  
F.G. Holl Company, LLC  
9431 E. Central Ste 100  
Wichita, KS  67206-2543

RE: Drilling Pit Application  
Beagley B Lease Well No. 1-6  
SW/4 Sec. 06-21S-14W  
Stafford County, Kansas

Dear Mr. Greenbaum:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

[Signature]

Kathy Haynes  
Environmental Protection and Remediation Department

cc: S Durrant