KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

<table>
<thead>
<tr>
<th>Expected Spud Date</th>
<th>March 02, 2005</th>
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**OPERATOR:**
Name: L.D. Drilling, Inc.
Address: 7 SW 26th Avenue, Oklahoma City, OK 73118
Contact Person: L.D. Davis
Phone: 405-793-3501
Licenses: 5822

**CONTRACTOR:**
Name: Vet Energy, Inc.

**Well Information:**
- Well Class: Oil
- Type Equipment: Mud Rotary
- Well No.: #1
- Original Completion Date: 02-25-05
- Directional, Deviated or Horizontal well?: Yes
- Depth to bottom of hole: 4,200 feet
- Depth to bottom of usable water: 3,200 feet
- Water well within one-quarter mile: No
- Water supply well within one mile: No
- Surface Plane: ARBUCKLE
- Length of Surface Pipe Planned to be set: 350 feet
- Formation at Total Depth: ARBUCKLE
- Water Source for Drilling Operations: Yes
- Will Core be taken?: Yes

**AFFIDAVIT**
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-31.

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 or mud 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 permanently cased and 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.

For KCC Use ONLY
API # 15 - 185 - 23301 - 0000
Conductor pipe required: No
Minimum surface pipe required: 300 feet
Approved Spud Date: 03-01-05
This authorization expires: 9-05

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Conductor pipe required: No
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**Remember to:**
- File Del Pl Application (form COP-1) with Intent to Drill.
- File Completion Form ACD-1 within 120 days of spud date.
- File average attribution plot according to field jurisdiction 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 rejecting salt water.
- If this permit has expired (See authorized expiration date) please check the box below and return to the address below.

**Mail to:** KCC - Conservation Division, 130-B, Market - Room 2078, Wichita, Kansas 67202

**RECEIVED**
FEB 28, 2005
KCC WICHITA

**KCC Use ONLY**
Mill: 3605
Form: O-1
December 2003
Form must be Typed
All blanks must be Filled

Date: 02-25-05
Signature of Operator or Agent:

**AGENT**
Date: 02-25-05
Signature of Operator or Agent:
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 miles of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15:
Operator: L. D. Drilling, Inc.
Lease: WILLIAMS 'G'
Well Number: 3
Field: SMALLWOOD

Number of Acres attributable to well: 50 ACRES 20' S
GTR / GTR / GTR of acreage: C , SE , NW

Location of Well: County: Stafford
2000' feet from 0 N / 0 W Line of Section
1982' feet from 0 N / 0 W Line of Section
Sec. 12, Twp. 22, S., R. 14
East W West

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. (CG-7 for oil wells; CG-8 for gas wells).
March 1, 2005

Mr. L.D. Davis
L.D. Drilling, Inc.
7 0W 26th Ave.
Great Bend, KS 67530

RE: Drilling Pit Application
William G Lease Well No. 3
NW/4 Sec. 12-22S-14W
Stafford County, Kansas

Dear Mr. Davis:

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 Durant