**NOTICE OF INTENT TO DRILL**

**KANSAS CORPORATION COMMISSION**

**OIL & GAS CONSERVATION DIVISION**

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

**Expected Spud Date: June 28, 2005**

<table>
<thead>
<tr>
<th>Operating Company</th>
<th>Address</th>
<th>City/State/Zip</th>
<th>Contact Person</th>
<th>Phone</th>
<th>Contractor License</th>
<th>Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Operator Name]</td>
<td>1801 Broadway Suite 450, Denver, CO 80202</td>
<td>Kent L. Gilbert</td>
<td>303-524-6180</td>
<td>[Operator Phone]</td>
<td>[Contractor License]</td>
<td>[Contractor Name]</td>
<td>[Contractor Phone]</td>
</tr>
</tbody>
</table>

Well Drilled For: [Well Class] [Type of Equipment]

- [Check Box] On [Specify Location]
- [Check Box] Off [Specify Location]

**IS OWNED - old well information as follows:**

<table>
<thead>
<tr>
<th>Well Name</th>
<th>Original Completion Date</th>
<th>Original Total Depth</th>
<th>Directional, Deviated or Horizontal well?</th>
<th>Yes</th>
<th>No</th>
<th>True Vertical Depth</th>
<th>Bottom Hole Location</th>
<th>KCC DKT #</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Well Name]</td>
<td>[Date]</td>
<td>[Depth]</td>
<td>[Directional]</td>
<td>[Yes]</td>
<td>[No]</td>
<td>[True Depth]</td>
<td>[Location]</td>
<td>[KCC DKT]</td>
</tr>
</tbody>
</table>

**RECEIVED:** [Date]

**AFFIDAVIT**

The undersigned hereby affirms that the site, completion and eventual plugging of this well will comply with K.S.A. 55-2 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 before commencing cementing.
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 made or cemented in;
6. If an alternate completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

**KCC DKT #:** [KCC DKT]

**Date:** 6-21-05

**Signature of Operator or Agent:**

**Remember to:**

- File DPL Application form DCP-1 with Intent to Drill.
- File Completion Form ACO-1 within 120 days of well date.
- File High Pressure Well Report, if applicable.
- Attach all necessary applicable reports to this Notice of Intent to Drill.
- Submit to the District Office for approval.
- 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.

<table>
<thead>
<tr>
<th>Well Not Drilled</th>
<th>Permit Expired</th>
<th>Date</th>
</tr>
</thead>
</table>

**Mail to:** KCC - Conservation Division, 130 S. Market - Room 2072, 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 |
| Operator: | Silvert- Stewart Operating LLC |
| Lease: | Big Red |
| Well Number: | 2 |
| Field: | Chase Silica |
| Location of Well: | County: Rice |
| 1700' | feet from | N / T |
| S | Line of Section |
| 970' | feet from | E / T |
| W | Line of Section |
| Sec. 17 | Twp. 20 | S. R. 10 |
| East | West |

In Section: □ Regular or □ Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: □ NE □ NW □ SE □ SW

Gather / QTR / GTR of acreage: NE □ SW □ NW □

NOTE: In all cases locate the spot of the proposed drilling location.

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: (CS-7 for oil wells; CS-6 for gas wells).
June 27, 2005

Mr. Kent L. Gilbert
Gilbert-Stewart Operating, LLC
1801 Broadway Ste 450
Denver, CO 80202

Re: Drilling Pit Application
Big Red Lease Well No. 2
NW/4 Sec. 17-20S-10W
Rice County, Kansas

Dear Mr. Gilbert:

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 within 72 hours 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 (316) 630-4000 when the fluids have been removed. Also, please file the enclosed CDP-5, 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,

Kathy Fry
Environmental Protection and Remediation Department

cc: Doug Louis

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3302
Voice 316.337.6247 Fax 316.337.6211 www.kcr.state.ks.us