NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

RECEIVED
SEP 1 2005

FORM C-1
December 2000

Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use

Date

9-18-05

Docket #

3

Signature: [Yes] [No]

Expected Spud Date

September 15, 2005

month
day

year

OPERATOR

License # 32912

Name: Carmel Energy, LLC

Address: 2198 Valley High Dr

City/State: Independence, KS 67301

Contact Person: Terry Carroll

Phone: (620) 331 7166

CONTRACTOR

License # 33374

Name: L & S Well Service, LLC

Well Drilled For: [ ] Oil [ ] Gas Storage [ ] Disposal [ ] WO

Well Class: [ ] Unfrac [ ] Infrac [ ] Mud Rotary [ ] Air Rotary

Type Equipment: [ ] Gas [ ] Water [ ] Surplus [ ] Subs [ ] Other

Seismic: [ ] # of Holes [ ] Other

If OWNED - old well information as follows:

Operator: [ ] N/A

Well Name: [ ] N/A

Original Completion Date: [ ] N/A

Original Total Depth: [ ] N/A

Directional, Deviated or Horizontal wells?: [ ] Yes [ ] No

If Yes, true vertical depth: [ ] N/A

Bottom Hole Location: [ ] N/A

KCC # [ ] N/A

Well Ctr.: 655

Distance from

655 SW4 SE4

feet from (Note: Locate well on the Section Plat on reverse side)

Line of Section

2059

West

Is SECT. Regular [ ] Irregular [ ]

County: Wilson

Lease Name: Ehrle

Field Name: Pivov

Is this a Paved Road / Spaced Field?: [ ] Yes [ ] No

Target Formation(s): CHEROKEE GROUP, MISSISSIPPIAN

Nearest Lease or Unit boundary: 655

Ground Surface Elevation: 954

Water well within one-quarter mile: [ ] Yes [ ] No

Public Water Supply well within one mile: [ ] Yes [ ] No

Depth to bottom of fresh water: [ ] 100+

Surface Pipe by Alteration: [ ] 1 [ ] 2

Length of Surface Pipe Planned to be set: [ ] 25 ft.

Formation at Total Depth: Mississippi

Water Source for Drilling Operations:

[ ] Well [ ] Farm Pond [ ] Other

DWR Permit #: 589

Will Core be taken?: [ ] Yes [ ] No

If Yes, proposed zone: [ ] N/A

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 of the underlying formation

4. If the well is dry hole, an agreement between the operator and the district office on the length and placement is necessary prior to plugging; in

5. The appropriate district materials will be notified where well is either plug or production casing is cemented in;

6. An alternate completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "H" - 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: 9/5/95

Signature of Operator or Agent: [Signature]

Remember to:

- File Drill Plan Application (form CDP-1) with intent to drill.
- File Completion Form ACC-1 within 120 days of spud date.
- File aircore information plot according to field position orders.
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (DWR-6) after plugging is completed;
- Obtain written approval before disposing of or injecting salt water.
- If this permit has expired (See authorized expiration date) please check "No" below and return to the address below.

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

33

2.9

152

For KCC Use ONLY

API # 15 - 205 24 18S 90 00

Conductor pipe required: [ ] NONE [ ] DWR

Minimum surface pipe required: 20 feet per Acre

Approved by: F. Proctor

This authorization expires: 3-18-06

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

Spud date: 8-29-05

Agent: [ ]

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

Signature of Operator or Agent: [Signature]

Title: Operating Manager
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plot 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 proposed 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 providing 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: Carroll Energy, LLC
Lease: Eislea
Well Number: C-2
Field: Fredonia

Location of Well: County: Wilson

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Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

Number of Acreage attributable to well: 20

QTR / QTR / QTR of acreage: C SW SE

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. a 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 (CD-7 for oil wells; CG-8 for gas wells).