For KCC Use:

Effective Date: 9-6-2005
District #: 1
SGAT: Yes

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: 09-06-2005

OPERATOR: Clying Petroleum Corporation
Name: 32566
Address: 2901 NW Expressway, Suite B01/W
City/State/Zip: Oklahoma City, OK 73112-7221
Contact Person: Ricky L. Frederick
Phone: 405/648-5019

CONTRACTOR: Duke Drilling Co., Inc.
Name: 55299
Well Drilled For:
- Oil
- Gas
- Storage
- Water
- Other

Well Class:
- Oil
- Gas
- Storage
- Water
- Other

Type Equipment:
- Mud Rotary
- Air Rotary
- Cable

Well Sponsors: Yes

If OWNED: old well information as follows:

Well Name: 
Original Completion Date: 
Original Total Depth:
Directional, Deviated or Horizontal well?: Yes
If Yes, true vertical depth:
Bottom Hole Location: KCC DKT #: 

KANSAS CORPORATION COMMISSION RECEIVED September 1, 2005

Lease Name: Gundelfinger
Well #: 1-14
Field Name: South Aetna
Target Formation(s): Mississippi (Definitive & Subtitle)
Nearest Lease or Unit Boundary: 1,600 ft.
Surface Pipe by Alternate:
- Yes
- No

Projected Total Depth: 5,200 ft.

Length of Surface Pipe Planned to be set:

Water Source for Drilling Operations:
- Well
- Farm Pond
- Other

DWR Permit #: 

Will Cross be taken?
- Yes
- No

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et seq.

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. All cases surface pipe shall be set through unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is a key 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 "D": Eastern Kansas surface casing order #133.891-0, which applies to the KCC District 3 area, alternate II cementing must be completed within 360 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: 6-30-05
Signature of Operator or Agent: VP - Drilling

For KCC USE ONLY

API #: 15 - 007 22928 0000

Conductor pipe required: Yes

Minimum surface pipe required: 260 feet per At.

This authorization expires: 9-6-06
(This authorization void if drilling not started within 8 months of effective date.)

Spud date: Agent

Mail to: KCC - Conservation Division, 130 S. Market - Room 3078, Wichita, Kansas 67202

Remember to:
- File Drill RI Application (form COP-1) with Intent to Drill.
- File Completion Form KCC-1 within 120 days of spud date.
- File acreage attribution plan according to field position 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 return the form below and return to the address below.

WES DRIED - Permit Expired
Signature of Operator or Agent:
Date:
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 boundary of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundary of the proposed acreage attribution unit for oil wells.

API No. 15: ____________________________
Operator: Clearway Petroleum Corporation
Lease: Gundersfinger
Well Number: 1-14
Field: South Astma
Number of Acres attributable to well: ____________________________
QTR / QTR / QTR of acreage: ____________________________ NW4

Location of Well: ____________________________
County: ____________________________
Barber

Feet from N E W
1,115
1,740

Sec: 14
Twp: 36
Rng: 15

Is Section: ________
Irregular or ________
Irregular

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

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).
September 1, 2005

Mr. Rickey L. Frederick
Cleary Petroleum Corporation
2601 NW Expressway Ste 801W
Oklahoma City, OK 73112-7221

RE: Drilling Pit Application
Gundelfinger Lease Well No. 1-14
NW/4 Sec. 14-35S-15W
Barber County, Kansas

Dear Mr. Frederick:

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) 225-8889 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

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

Conservation Division, Kansas State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.6700 Fax 316.337.6211 www.kcc.state.ks.us