NOTICE OF INTENT TO DRILL

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

For KCC Use: 10-12-05

Date: 11-21-05

Expected Spud Date: NOVEMBER 01 2005

OPERATOR/Licensee: 6039
Name: L D. DRILLING, INC.
Address: 7 SW 26 AVE
City/State: GREAT BEND, KANSAS 67530
Contact Person: L D. DAVIS
Phone: 622-793-5511

CONTRACTOR/Consultant: UNAUTHORIZED WITH KCC
Name: MUELLER

Well Drilled For: Well Class: Type Equipment
Oil Storage Mid Rotary
Gas Post Ext
OWD WCD
Disposal Cable
Water WCD
Other

If OWD/WCD: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal well?:
If Yes, True vertical depth:
Bottom Hole Location:
KCC DRT #: 2129

Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-51 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 minimal 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 bedrock
4. If well is a 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 #103.101-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: Oct 5, 2005

SEC / TREASURER

Remember to:
- File DWTM Application (form COP-1) with Intent to Drill;
- File Completion Form COP-2 within 120 days of spud date;
- File acreage attribution form according to field production 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, obtain authorization expiration affidavit where check the box below and return to the address below.

Well Not Drilled - Permit Expiring
Signature of Operator or Agent:
Date:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Part 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 where 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 attributable uni for gas wells and within 0.5 mile of the boundaries of the proprated acreage attributable unit for oil wells.

API No. 15
Operator: P. D. CHILLING, INC.
Lease: HALL
Well Number: 1-1
Field: MUELLER
Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage

215' S & 100' N

Location of Well: County: STAFFORD

775 feet from N / 0 S
1510 feet from 0 W / 0 W
Line of Section
Sec. 11 Twp. 21 S. R. 13
East 2 W

Is Section: Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE SW NW 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 prorated field by identifying section lines, i.e. 1 section, 1 section with 5 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling line from the section's south / north and east / west.
3. The distance to the nearest leased or a boundary line.
4. If proposed location is located within a prorated or spaced field a certificates of acreage attribution plat must be attached: (CG-7 for oil wells; CG-8 for gas wells).

RECEIVED

OCT 05 2005

KCC WICHITA
October 7, 2005

Mr. L.D. Davis
L.D. Drilling, Inc.
7 SW 26 Ave.
Great Bend, KS 67530

RE: Drilling Pit Application
Hall Lease Well No. 1-11
SE/4 Sec. 11-21S-13W
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. 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant