NOTICE OF INTENT TO DRILL

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

Spur 21 S. & 29 E.
7 W2 SE Sec. 21 Twp. 20 S. R. 14 E.
West 639 feet from S. Line of Section
North 2281 feet from E. Line of Section

Is SECTION ___ Regular _______ Irregular
(Note: Locate within the Section Plat on royalty side)

County: Barton
Field Name: Dunde
Is this a Promoted / Spaced Field? ___ Yes ___ No
Target Formation: Red Eagle, LKC, viola, Arbuckle
Nearest Lease or unit boundary: ___ Yes ___ No
Ground Surface Elevation: ___ Yes ___ No
Water well within one-quarter mile: ___ Yes ___ No
Public supply well within one-quarter mile: ___ Yes ___ No
Depth in him of usable water: ___ Yes ___ No
Surface Pipe by Alternate: ___ Yes ___ No
Length of Surface Pipe Planned to be:
Projected Total Depth: 2600 ft
Length of Conductor Pipe required: None

Water Source for Drilling Operations:
- Well ___ Farm Pond ___ Other ___
DWR Permit #: ___ Contractor will apply ___
Was Core be taken? ___ Yes ___ No
If Yes, proposed zone:

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 at each drilling site;
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 into the underlying formation;
4. If the well is dry hole, an agreement between the operator and the district office on location and placement is necessary prior to plugging; and
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;

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 #153,891-C, which applies to the KCC District 3 area, alternate 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: 12/20/2005
Signature of Operator or Agent:

Time: Exploration Manager

Mail to: KCC - Conservation Division, 130 S. Market - Room 207, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat or 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: F. G. Holt Company, L.L.C.
Lease: KDNOP
Well Number: 1-21
Field: Dundee

Number of Acres attributable to well: QTH / QTR / QTH of acreage: NW, SW, SE

Location of Well: County: Barton
Distance from

| 693 | feet from
| 2281 | feet from

| Sec. | 21 | N. | 30 | R. | 14 |
| W. Line of Section | E. Line of Section | W. Line of Section |

In Section: ☐ Regular or ☐ irregular

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

Section corner size: ☐ 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 location of the proposed drilling location from the section's line, 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, CD-8 for gas wells)
October 24, 2005

Mr. Franklin R. Greenbaum
F.G. Holt Company, LLC
9431 E. Central St/R00
Wichita, KS 67206

RE: Drilling Permit Application
Knop Lease Well No. 1-21
SE/4 Sec. 21-20S-14W
Barton County, Kansas

Dear Mr. Greenbaum:

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 if sand is encountered during the construction of the reserve pit or working pits, please call the District Office at (785) 625-0550. The 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. Please keep all pits away from any draws.

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 (785) 625-0550 when the fluids have been removed. Please file form CDIP-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: H Delphes