KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use

Effective Date: 10-31-05
District #: 1

SOIL: Yes No

Expected Spud Date: November 18 2005

OPERATOR: Licensee 5144

Name: Mulhall Drilling Company, Inc.
Address: P.O. Box 2758
City-State-Zip: Wichita KS 67201-2758
Contact Person: Mark Shrieve
Phone: 316-264-9388

CONTRACTOR: Licensee 5142

Name: Sterling Drilling Company

Field Name:

Gates

Is this a Printed / Spaced Field? Yes No

If yes, print information(s). Attach here

Yes No

Is this a Panhandle / Spaced Field? Yes No

If yes, a lease or unit boundary.

Ground Surface Elevation: 1870

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 187

Depth to bottom of usable water: 282

Surface Pipe by Alternate

| 1 | 2 |

Length of Surface Pipe Planned to be set: 282

Length of Conductor Pipe required: None

Projected Total Depth: 3800

Formation at Total Depth: Arthurbank

Water Source for Drilling Operations:

- Yes

Will Core be taken?

- Yes

- No

If Yes, proposed zone

RECEIVED

OCT 2 4 2005

KCC/WICHITA

Signature of Operator or Agent: ________________

Date: 10/21/05

Title: President/CEO

For KCC Use ONLY

API #: 15

Conductor pipe required ________________ feet

Minimum cementing requirement ________________ feet per ft. of

Approved ________________ feet per ft. of

This authorization expires ________________ ft.

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

Spud date: ________________

Agent: ____________________

Remember to:

- File Drill Fr Application (form CPD-1) with Intent to Drill;
- File Completion Form CPD-1 within 120 days of spud date;
- File acid stim out program acid concentration
- Notify appropriate district office within 48 hours after work or re-entry, and
- Submit plugging report (CPD-4) after plugging is completed.
- Obtain written approval before disposing of or injecting salt water.

If this permit has expired (Date authorized expiration date) please check yes box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: ____________________

Date: ________________

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion, and eventual plugging of this well will comply with K.S.A. 55-3b-3 et seq.

1. Notified 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, the casing shall be set to a depth of not less than 20 feet into the underlying formation;
4. If the well is dry hole, an agreement between the operator and the district office on return 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 4131991-C, which applies to the KCC District 3 area, alternate II casing 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: ________________

Signature of Operator or Agent: ____________________

Title: President/CEO

The undersigned hereby affirms that the drilling, completion, and eventual plugging of this well will comply with K.S.A. 55-3b-3 et seq.

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Date: ________________

Signature of Operator or Agent: ____________________

Title: President/CEO

For KCC Use ONLY

API #: 15

Conductor pipe required ________________ feet

Minimum cementing requirement ________________ feet per ft. of

Approved ________________ feet per ft. of

This authorization expires ________________ ft.

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

Spud date: ________________

Agent: ____________________

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Well Not Drilled - Permit Expired

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Date: ________________

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, 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: Mull Drilling Company, Inc.
Lease: 580
Well Number: 1-26
Field: Mueller

Number of Acres attributable to well: 40
QTR / QTR / QTR of acreage: SW, NW, NW

Location of Well: County: Stafford

1200
330

Test from

N / S Line of Section

E / W Line of Section

Sec. 26  Twp. 21  S. R. 13

In Section: ☐ Regular or ☐ Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: ☐ 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.)

OCT 2, 2005
KCC WICHITA

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: (CO-7 for oil wells; CG-8 for gas wells.)
October 25, 2005

Mr. Mark Shreve
Mull Drilling Company, Inc.
PO Box 2758
Wichita, KS 67201-2758

RE: Drilling Pit Application
Leo Lease Well No. 1-26
NW¼ Sec. 26-21S-13W
Stafford County, Kansas

Dear Mr. Shreve:

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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant