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: MAY 16, 2006

OPERATOR: Licensee: 33168
Name: WOOLSEY OPERATING COMPANY, LLC
Address: 125 N. Market, Suite 1000
Wichita, Kansas 67202
City/State/Zip: Phone: 316-267-4379 ext 107

CONTRACTOR: Licensee: 5929
Name: Duke Drilling Co., Inc.

Well Drilled For:
Oil
Gas
OWD
Seismic:
Other

Well Class:
Enh Rec
Storage
Disposal
Wildcat

Type Equipment:
Infeld
Pool Ext.
Air Rotary
Cable

If OWD: old well information as follows:
Operator: American Energies
Well Name: Donovan G-1
Original Completion Date: 06-10-90
Original Total Depth: 5000'

Directional, Deviated or Horizontal wellbore? Yes
If Yes, true vertical depth:
Bottom Hole Location:

KCC DKT #:

Spot: 160' W. Sec. 9
660' FNL feet from Line of Section
820' FEL feet from Line of Section
Is SECTION: Regular

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

County: Barber
Lease Name: DONOVAN 'B'
Field Name: Aetna

If this a Prorated / Spaced Field? Yes
Target Formation(s): Mississippian
Nearest Lease or unit boundary: 660'
Ground Surface Elevation: 1824'
Water well within one-quarter mile: Yes
Public water supply well within one mile: Yes
Depth to bottom of fresh water: 150'
Depth to bottom of usable water: 180'
Surface Pipe by Alternate: 1
Length of Surface Pipe Required to be set: has existing set at 400'
Length of Conductor Pipe required: n/a
Projected Total Depth: 5450'
Formation at Total Depth: Simpson sand
Water Source for Drilling Operations:

DWR Permit #:
(Note: Apply for Permit with DWR)

Will Cores be taken?

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 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 into the underlying formation.
4. If the well is 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;

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 #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: 5-4-2006
Signature of Operator or Agent:

Title: Operations Manager

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

For KCC Use ONLY
API # 15

Conductor pipe required
Minimum surface pipe required
Approved by:

This authorization expires:
(This authorization void if drilling not started within 6 months of approval date.)

Spud date:

Remember to:
- File Drill Permit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration 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 check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent:

Date:

Form C-1
December 2002
Form must be Typed
All blanks must be Filled
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 - 007-82312-CC-01

Operator: WOOLSEY OPERATING COMPANY, LLC
Lease: DONOVAN 'B'
Well Number: 1 'OWWO'
Field: Aetna

Location of Well: County: Barber

660' FNL feet from ✓ N / ✓ S Line of Section
820' FEL feet from ✓ E / ✓ W Line of Section
Sec. 9 Twp. 34 S. R. 13 East ✓ West

Is 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.)

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: (C0-7 for oil wells; CG-8 for gas wells).
Operator Name: Woolsey Operating Company, LLC
Operator Address: 125 N. Market, Suite 1000, Wichita, Kansas 67202
Contact Person: Carl W. Durr
License Number: 33168
Phone Number: (620) 886-5606 ext 27
Type of Pit:
- [X] Proposed Pit
- [ ] Existing Pit

If Existing, date constructed:

Pit capacity:

(bbls)

Pit Location (QQQO):

660 Feet from [✓] North / [ ] South Line of Section

820 Feet from [✓] East / [ ] West Line of Section

Barber County

Is the pit located in a Sensitive Ground Water Area? [ ] Yes [✓] No

Chloride concentration: _____________________ mg/l

(For Emergency Pits and Setting Pits only)

Is the bottom below ground level? [✓] Yes [ ] No

Artificial Liner? [ ] Yes [✓] No

How is the pit lined if a plastic liner is not used?

Clays from mud will provide sealer.

Pit dimensions (all but working pits): 80 (Length (feet)) 80 (Width (feet)) N/A: Steel Pits

Depth from ground level to deepest point: 4 (feet)

If the pit is lined give a brief description of the liner material, thickness and installation procedure.

Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.

Monitor pits until thoroughly dry.

Distance to nearest water well within one-mile of pit

N/A feet Depth of water well _______ feet

Emergency, Setting and Burn Pits ONLY:

Producing Formation: ________________________

Number of producing wells on lease: _________

Barrels of fluid produced daily: _____________

Does the slope from the tank battery allow all spilled fluids to flow into the pit? [ ] Yes [✓] No

Drilling, Workover and Haul-Off Pits ONLY:

Type of material utilized in drilling/workover: Fresh

Number of working pits to be utilized: 3

Abandonment procedure: When dry, backfill and restore location.

Drill pits must be closed within 365 days of spud date.

I hereby certify that the above statements are true and correct to the best of my knowledge and belief.

May 4, 2006

Date

Dean Patterson
Signature of Applicant or Agent

KCC OFFICE USE ONLY

Date Received: 5/15/04 Permit Number: __________________________

Permit Date: 6/1/04 Lease Inspection: [X] Yes [ ] No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
May 8, 2006

Mr. Dean Pattisson  
Woolsey Operating Company, LLC  
125 N. Market Ste 1000  
Wichita, KS  67202

RE: Drilling Pit Application  
Donovan B Lease Well No. 1 OWWO  
NE/4 Sec. 09-34S-13W  
Barber County, Kansas

Dear Mr. Pattisson:

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 practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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 (August 2004), 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: File
WELL PLUGGING RECORD
K.A.R. 62-3-117

API NUMBER: 15-007-22,312
LEASE NAME: Donovan
WELL NUMBER: 'G' 1

NOTICE: Fill out completely and return to Cons. Div. office within 30 days.

TYPE OR PRINT

LEASE OPERATOR: American Energies Corporation
ADDRESS: 155 N. Market, Suite 710 Wichita, KS 67202
PHONE: (316) 263-5785 OPERATOR LICENSE NO. 5399
Character of Well: D&A

The plugging proposal was approved on __________________________ (date)
by ______________________________ (KCC District Agent's Name).

Is ACO-1 filed? Yes ______ If not, is well log attached? ________________

Producing Formation: ___________ Depth to Top ______ Bottom ______ T.D. ______

Show depth and thickness of all water, oil and gas formations.

DIL, GAS OR WATER RECORDS

<table>
<thead>
<tr>
<th>Formation</th>
<th>Content</th>
<th>From</th>
<th>To</th>
<th>Size</th>
<th>Put in</th>
<th>Pulled out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface</td>
<td></td>
<td>0</td>
<td>400'</td>
<td>8-5/8&quot;</td>
<td>400'</td>
<td>JUL 10, 1990</td>
</tr>
</tbody>
</table>

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from feet to feet each set.

Plugged well with 125 ft of 60/40 Poz, 63 gel as follows:
- 847' with 50 sb: 412' with 50 sb: 40' with 10 sb; rathole with 15 sb
- added 50 sb common 3"cc to top plug.

(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor: Allen Drilling Company License No. 5418
Address: P.O. Box 1389 Great Bend, KS 67530

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: American Energies Corporation

STATE OF Kansas COUNTY OF Sedgwick ss.

(Employee of Operator) or (Operator) of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

(Signature) Allen L. Todd
(Address) Same as above

MELINDA S. WRIGHT NOTARY PUBLIC STATE OF KANSAS My Notary Exp: 3-12-72

SUBSCRIBED AND SWORN TO before me this 9th day of July, 1990

Notary Public
My Commission Expires: 3-12-72

Form 08-1