KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing work.

For KCC Use:
Effective Date: 5-30-06

District #: □ Yes □ No
SGA? □ Yes □ No

Expected Spud Date: 6 15 06

month day year

OPERATOR: License #: 3642
Name: LARSON OPERATING COMPANY
A DIVISION OF LARSON ENGINEERING, INC.
Address: 1562 WEST HIGH-WAY 4
City/State/Zip: OLMITZ, KS 67564-8561
Contact Person: TOM LARSON
Phone: (620) 653-7368

CONTRACTOR: License #: 30606
Name: MURFIN DRILLING COMPANY

Well Drilled For:
□ Oil □ Enh Rec □ Infield □ Mud Rotary
□ Gas □ Storage □ Pool Ext. □ Air Rotary
□ OWWO □ Disposal □ Wildcat □ Cable
□ Seismic; # of Holes □ Other
□ Other

Well Class: □ Infeld □ Mud Rotary

Type Equipment:

If OWWO: old well information as follows:
Operator: 
Well Name: 
Original Completion Date: 
Original Total Depth: 

Directional, Deviated or Horizontal wellbore? □ Yes □ No

If yes, true vertical depth: 

Bottom Hole Location: 

KCC DKT:

Spot 135N & 20W OF S E 2175

T 20 S R 970

Is SECTION X Regular □ Irregular □

(Note: Locate well on the Section Plat on Reverse Side)

County: LANE
Lease Name: HOTT
Well #: 1-4
Field Name: WILDCAT
Is this a Prorated: Spaced Field? □ Yes □ No
Target Formation(s): LKC, MARMATON, CHEROKEE

Nearest Lease or unit boundary:

Ground Surface Elevation: 2932 ESTIMATED
feet MSL

Water well within one-quarter mile: □ Yes □ No

Public water supply well within one mile: □ Yes □ No

Depth to bottom of fresh water: 150

Depth to bottom of usable water: 1350

Surface Pipe by Alternate: □ 1 □ 2

Length of Surface Pipe Planned to be set: 250

Length of Conductor pipe required: 

Projected Total Depth: 4700

Formation at Total Depth: MISSISSIPPI

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

OWR Permit #: WATER HAULER

Will Cores Be Taken? (Note: Apply for Permit with DWR □)
□ 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. 55-101, 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 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;

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 #133,891-3, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of 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: 05/22/2006

Signature of Operator or Agent: 
Title: PRESIDENT

For KCC use ONLY
API # 15 - 101-21931-0000

Conductor pipe required □ None feet

Minimum surface pipe required 200 feet per Alt.

Approved by 5-35-06

This authorization expires 11-30-06

(See: authorized expiration date) please check the box below and return to the address below.

□ Well Not Drilled - Permit Expired

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. 10 - 101-21931-0000
LARSON OPERATING COMPANY
Operator: A DIVISION OF LARSON ENGINEERING, INC.
Lease: HOTT
Well Number: 1-4
Field: WILDCAT

Location of Well: County: LANE
2175 feet from □ N / □ S Line of Section
970 feet from □ E / □ W Line of Section
Sec. 4 Twp. 20 S. R. 30 □ 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: (CO-7 for oil wells; CG-8 for gas wells).
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: LARSON OPERATING COMPANY
A DIVISION OF LARSON ENGINEERING, INC.
License Number: 3842

Operator Address: 562 WEST HIGHWAY 4
OLMUTZ, KS 67564-9561

Contact Person: TOM LARSON
Phone Number: (620) 653-7368

Lease Name & Well No.: HOTT #1-4

Pit Location (QQQQ):

<table>
<thead>
<tr>
<th>APP</th>
<th>SE</th>
<th>SW</th>
<th>NW</th>
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Sec. 4, Twp. 20S, R. 30, East, West
2175 Feet from North / South Line of Section
970 Feet from East / West Line of Section
LANE County

Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No

Chloride Concentration: mg/l
(For Emergency Pits and Settling 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?
NATIVE MUD & BENTONITE CLAY

Pit dimensions (all but working pits):

<table>
<thead>
<tr>
<th>Length (feet)</th>
<th>Width (feet)</th>
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</thead>
<tbody>
<tr>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

Depth from ground level to deepest point: 4 ft

N/A: Steel Pits

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.

Distance to nearest water well within one-mile of pit

N/A feet

Depth of water well feet

Emergency, Settling 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 WATER MUD
Number of working pits to be utilized:
NONE - STEEL PITS
Abandonment procedure:
ALLOW TO DRY THEN BACKFILL

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.

5-22-06

Thomas Larson
Signature of Applicant or Agent
PRESIDENT

KCC OFFICE USE ONLY

Date Received: 5/24/06
Permit Number: ____________
Permit Date: 5/24/06
Lease Inspection: ☐ Yes ☒ No

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