NOTICE OF INTENT TO DRILL

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

Expected Spud Date: 11/28/2006

OPERATOR: License# 5150
Name: Colt Energy Inc
Address: P.O. Box 388
City: 72217 State: KS Zip: 56749
Contact Person: DENNIS KERSHNER
Phone: 720-385-3111

CONTRACTOR: License# 33372
Name: Well Drilled Company, Inc.

Well Drilled For:
- Oil
- Gas
- Storage
- Disposal
- Seismic
- Other:

Well Class:
- Infield
- Pool Ext.
- Wildcat
- Other:

Type Equipment:
- Mud Rotary
- Air Rotary
- Cable

Spot Description: SW NW

NE Sec. 22 Twp. 33 R. 17 E Line of Section
2,210 feet from N / S Line of Section
400 feet from E / W Line of Section

Is SECTION: Regular □ Irregular: □

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

County: Montgomery

License #: 5-22
Field Name: COFFEYVILLE-CHERRYVALE
Is this a Prorated/Spaced Field? Yes □ No □

Target Formation(s): PENNSYLVANIAN COALS

Nearest Lease or unit boundary line (in footage): 400

Ground Surface Elevation: 770

Water well within one-quarter mile: Yes □ No □
Public water supply well within one mile: Yes □ No □
Depth to bottom of fresh water: 100
Depth to bottom of usable water: 175

Surface Pipe by Alternate: □

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe (If any):

Projected Total Depth: 1100

Formation at Total Depth: MISSISSIPPI

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

DWR Permit #: □

(Note: Apply for Permit with DWR)

Will Cores 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 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 the 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 #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: 11-22-06
Signature of Agent: Shirley Stiller
Title: Production Clerk

For KCC Use ONLY
API #: 125-3/268-0000
Conductor Pipe required: 0 feet
Minimum surface pipe required: 20 feet per ALT
Approved by: Ron H. Duvall
This authorization expires: 5-28-07
(This authorization void if drilling not started within 6 months of approval date.)

Spud Date: 11/28/2006

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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 - 625-3/248-0000
Operator: Coli Energy Inc
Lease: SCHABEL
Well Number: 5-22
Field: COFFEYVILLE-CHERRYVALE

Number of Acres attributable to well: _______________________
QTR/QTR/QTR/QTR of acreage: NE  SW  SW  NW

Location of Well: County: Montgomery
2,210 feet from N  S Line of Section
400 feet from E  W Line of Section
Sec. 22  Twp. 33  S  R. 17  E  W

Is Section: X Regular  □ 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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached. (CG-7 for oil wells; CG-8 for gas wells).
**APPLICATION FOR SURFACE PIT**

**Submit in Duplicate**

<table>
<thead>
<tr>
<th>Operator Name:</th>
<th>Colt Energy Inc</th>
<th>License Number:</th>
<th>5150</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator Address:</td>
<td>P.O. Box 388</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Person:</td>
<td>DENNIS KERSHNER</td>
<td>Phone Number:</td>
<td>620-365-3111</td>
</tr>
<tr>
<td>Lease Name &amp; Well No.:</td>
<td>SCHABEL 5-22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Pit Location (QQQQ):**

- Sec 22 Twp 33 R 17
- East West
- 2210 Feet from North South Line of Section
- 400 Feet from East West Line of Section

**Montgomery County**

**Is the pit located in a Sensitive Ground Water Area?**

- [ ] Yes
- [X] No

**Is the bottom below ground level?**

- [X] Yes
- [ ] No

**Artificial Liner?**

- [X] Yes
- [ ] No

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

**NATIVE SOIL**

**Pit dimensions (all but working pits):**

- Length (feet): 30
- Width (feet): 15
- Depth from ground level to deepest point: 5

<table>
<thead>
<tr>
<th>Distance to nearest well within one-mile of pit</th>
<th>Depth of water well</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONE feet</td>
<td>0 feet</td>
</tr>
</tbody>
</table>

**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? [X] Yes [ ] No

**Drilling, Workover and Haul-Off Pits ONLY:**

- Type of material utilized in drilling/workover: NATIVE SOIL
- Number of working pits to be utilized: 1
- Abandonment procedure: WELL DRILLED WAIR RIG NO FLUID --- PIT WILL BE PUSHED IN
- 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.

**Date:** 11/22/06

**Signature of Agent:** Shirley Shelton

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Date Received: 11/27/06

Permit Number: 11/22/06

Lease Inspection: [ ]

KCC OFFICE USE ONLY

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

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**NOV 27 2006**

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