KNAS 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 well

For KCC Use:

Form C-1
December 2002
Form must be Typed
All blanks must be filled

Effective Date: 4/23/05
District #: 2
SOA? Y Yes No

Expected Spud Date: APRIL 22 2005

OPERATOR: License #: 3882
Name: SAMUEL GARY JR. & ASSOCIATES, INC.
Address: 18790 BROADWAY ROAD, SUITE 300
City/State/Zip: DENVER, CO 80202
Contact Person: TOM FERTAL
Phone: (303) 831-4673

CONTRACTOR: License #: 33357
Name: PETROMAY DRILLING

Well Driller: Name: Type Of Equipment: Date: Status:
- Oil
- Gas
- Storage
- Disposal
- Other
- Infilt
- Mud Rotary
- Other

If Oil WW: old well information as follows:
Operator: Well Name:
Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal well? Yes No

Bottom Hole Location: KCC DRTI:

AFFDIVAT

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. The operator is the person who has been notified by the company to drill the 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;
6. If an ALTERATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.
7. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #123,591-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of spud date or the well will 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: MARCH 23, 2005
Signature of Operator or Agent: Toms Fertal
Title: SR. GEOLOGIST

Remember:
- File Drill PK Application (Form CCP-1) with intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File average attribute plot according to field jurisdiction order;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-41) after pluggig completed;
- Obtain written approval before disposing of 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: 2/18/05

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 ½ mile of the boundaries of the proposed acreage attribution unit for oil wells.

AP No. 15 - 

Operator: SAMUEL GARY JR & ASSOCIATES, INC

Lease: BEHINKE

Well Number: 1-2T

Field: WILDCAT

Location of Well: County: RICE

Location: 330 feet from N / S Line of Section

1200 feet from E / W Line of Section

Sec: 21

Twp: 18

R: 9

East: 

West: 

Is Section: Regular or Irregular

Number of Acreage attributable to well: 

QTR / QTR / QTR of acreage: 

NOTE: In all cases locate the spot of the proposed drilling location.

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

Section corner used: NE NW SE SW

PLAT

(Show location of the well and check attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

EXAMPLE

CONSERVATION DIVISION
WICHITA, KS

MAR 2 4 2005

RECEIVED

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 4 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; CO-8 for gas wells).
April 18, 2005

Tom Fertal
Samuel Gary Jr. & Associates, Inc.
1670 Broadway, Ste 3300
Denver CO 80202

Re: Drilling Pit Application
Behnke Lease Well No. 1-21
NE/4 21-18S-09W
Rice County, Kansas

Dear Mr. Fertal:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. The enclosed Exploration and Production Waste Transfer, form CDP-5, must be filed within 30 days of fluid transfer.

Should a haul-off pit be necessary, please complete the enclosed CDP-1. This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,

Jonelle Rains
Supervisor
Environmental Protection and Remediation Department

Cc: Doug Louis
File