

For KCC Use:
 Effective Date: 8-17-04
 District #: 3
 SGA? Yes No

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

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

RECEIVED
 MAR 11 2004
 KCC WICHITA

Form C-1
 September 1999
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

Expected Spud Date March 20 2004
month day year

Spot East
 West
NW¹/₄ - SE¹/₄ - NW¹/₄ Sec. 4 Twp. 24 S. R. 16
1560 feet from S / (N) (circle one) Line of Section
1485 feet from E / (W) (circle one) Line of Section
 Is SECTION Regular Irregular?

OPERATOR: License# 5983
 Name: Victor J. Leis
 Address: Box 223
 City/State/Zip: Yates Center, Kansas 66783
 Contact Person: Victor J. Leis
 Phone: 913-557-4430
 CONTRACTOR: License# 5661
 Name: Kelly Down Drilling Co.

(Note: Locate well on the Section Plat on reverse side)
 County: Woodson
 Lease Name: Tannahill Well #: A-8
 Field Name: Vernon

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Squirrel
 Nearest Lease or unit boundary: 1100
 Ground Surface Elevation: N/A 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: 150-150+
 Depth to bottom of usable water: 150-180+

| | | |
|--|-----------------------------------|--|
| Well Drilled For: | Well Class: | Type Equipment: |
| <input checked="" type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Air Rotary |
| <input type="checkbox"/> OWWO | <input type="checkbox"/> Disposal | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Seismic; # of Holes | <input type="checkbox"/> Wildcat | |
| <input type="checkbox"/> Other | <input type="checkbox"/> Other | |

Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 40
 Length of Conductor Pipe required: None
 Projected Total Depth: 1120
 Formation at Total Depth: Squirrel

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

Water Source for Drilling Operations:
 Well Farm Pond Other _____
 DWR Permit #: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

(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. 55-101, 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 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 ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. *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: 2-18-04 Signature of Operator or Agent: Victor J. Leis Title: Owner-Operator

| | |
|---|------------------------------------|
| For KCC Use ONLY | |
| API # 15 - | <u>207-26828-0000</u> |
| Conductor pipe required | <u>NONE</u> feet |
| Minimum surface pipe required | <u>40</u> feet per Alt. <u>(2)</u> |
| Approved by: | <u>RJP 3-12-04</u> |
| This authorization expires: | <u>9-12-04</u> |
| <small>(This authorization void if drilling not started within 6 months of effective date.)</small> | |
| Spud date: | Agent: _____ |

Remember to:

- File Drill Pit 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.

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

4
27
16E

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

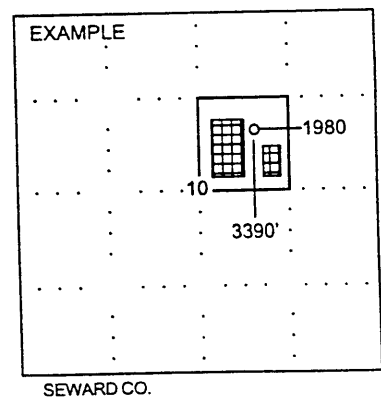
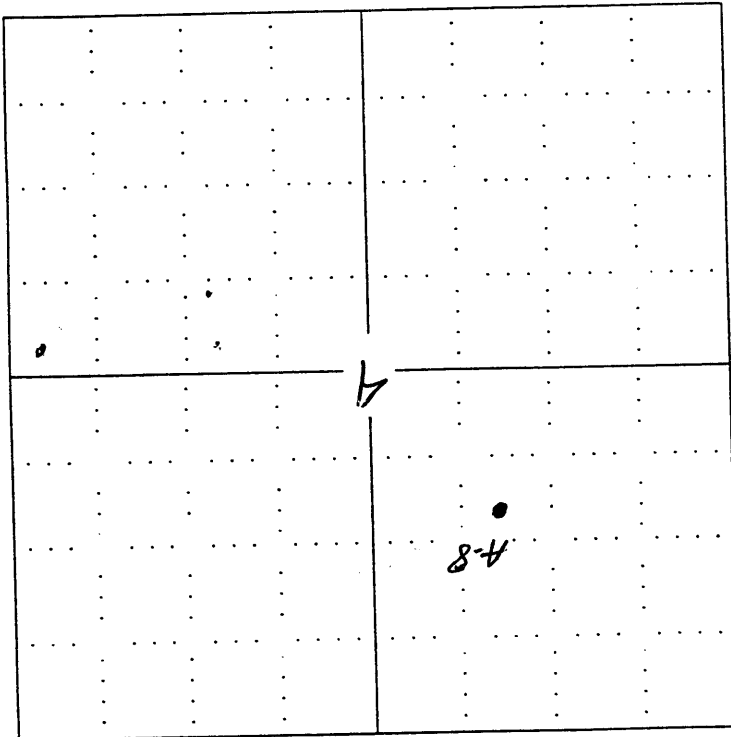
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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: _____
 Lease: _____
 Well Number: _____
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: _____
 _____ feet from S / N (circle one) Line of Section
 _____ feet from E / W (circle one) Line of Section
 Sec. _____ Twp. _____ S. R. _____ 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 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).