

For KCC Use:  
 Effective Date: 4-20-04  
 District # 1  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

RECEIVED

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

NOTICE OF INTENT TO DRILL

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

APR 12 2004

KCC WICHITA

Expected Spud Date 04-22-04  
 month day year

OPERATOR: License# 30420  
 Name: V.J.I. Natural Resources Inc.  
 Address: 30-38 48th St.  
 City/State/Zip: Astoria, New York 11103  
 Contact Person: Jason Dinges  
 Phone: 785-625-8360  
 CONTRACTOR: License# 33323  
 Name: Petromark

Spot  
100'N-CNW - NE Sec. 4 Twp. 23 S. R. 17  East  West  
550 feet from N (circle one) Line of Section  
1980 feet from E (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

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

County: Pawnee  
 Lease Name: Alexander Well #: 3  
 Field Name: Garfield  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Viola  
 Nearest Lease or unit boundary: 550  
 Ground Surface Elevation: 2049est 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: 40' 150  
 Depth to bottom of usable water: 600' 38.0  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 700'  
 Length of Conductor Pipe required: none  
 Projected Total Depth: 4350  
 Formation at Total Depth: Viola  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other   
 DWR Permit #: 20030288  
 (Note: Apply for Permit with DWR )  
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

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

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 #: \_\_\_\_\_

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: 4-10-04 Signature of Operator or Agent: Jason Dinges Title: Agent

For KCC Use ONLY  
 API # 15 - 145-21491-00-00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 400 feet per Alt.   
 Approved by: RSP 4.15.04  
 This authorization expires: 10-15-04  
 (This authorization void if drilling not started within 6 months of effective date.)  
 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.

4  
23  
173

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: V.J.I. Natural Resources Inc.  
 Lease: Alexander  
 Well Number: 3  
 Field: Garfield

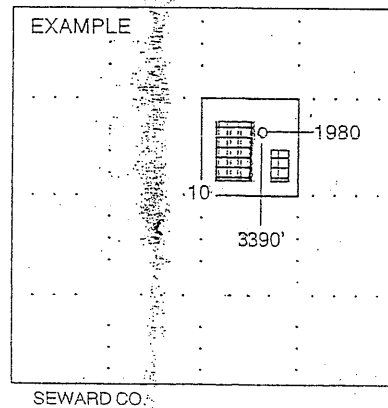
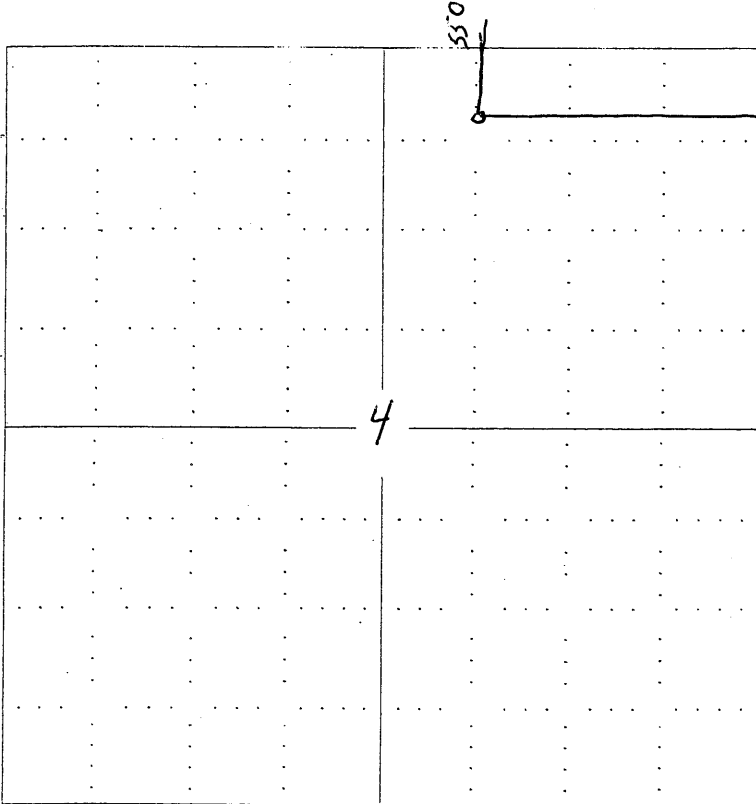
Location of Well: County: Pawnee  
 \_\_\_\_\_ 550 feet from S /  (circle one) Line of Section  
 \_\_\_\_\_ 1980 feet from  / W (circle one) Line of Section  
 Sec. 4 Twp. 23 S. R. 17  East  West

Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_

Is Section X 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

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
JOHN WINE, COMMISSIONER  
ROBERT E. KREHBIEL, COMMISSIONER

April 14, 2004

Mr. Jason Dinges  
V.J.I. Natural Resources, Inc.  
30-38 48<sup>th</sup> St.  
Astoria, New York 11103

Re: Drilling Pit Application  
Alexander Lease Well No. 3  
NE/4 Sec. 04-23S-17W  
Pawnee County, Kansas

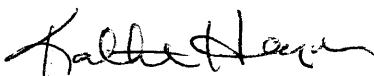
Dear Mr. Dinges:

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 the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

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,



Kathleen Haynes  
Environmental Protection and Remediation Department

Cc: S Durrant