For KCC Use:
Effective Date: 10 -17-04
District #

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date October 17, 2004 Spot month ApW2 S. R. 16 3300 OPERATOR: License# 4567 N / ✓ S Line of Section 4 Name: D.E. Exploration, Inc. feet from ✓ E / W Line of Section Address: P.O. Box 128 Is SECTION _ Regular Irregular? City/State/Zip: Wellsville, KS 66092 (Note: Locate well on the Section Plat on reverse side) Contact Person: Douglas G. Evans County: Coffey Phone: (785) 883-4057 Lease Name: Wright Field Name: Neosho Falls - Leroy CONTRACTOR: License# 5989 Is this a Prorated / Spaced Field? Name: Kurt Finney dba Finney Drilling Company Target Formation(s): Squirrel Nearest Lease or unit boundary: 640' Well Drilled For: Well Class: Type Equipment: Ground Surface Elevation: n/a **√** Oil Enh Rec Infield ✓ Mud Rotary Water well within one-quarter mile: V Nd Gas Storage Pool Ext. Air Rotary Public water supply well within one mile: OWWO Wildcat Disposal Cable Depth to bottom of fresh water: 100+ Seismic: Other # of Holes Depth to bottom of usable water: 200+ Other Surface Pipe by Alternate: 1 Length of Surface Pipe Planned to be set: 40' If OWWO: old well information as follows: Length of Conductor Pipe required: none Operator: Projected Total Depth: 1,050 Well Name: Squirrel Formation at Total Depth:_ Original Completion Date: Original Total Depth: Water Source for Drilling Operations: Yes ✓ No Directional, Deviated or Horizontal wellbore? Well Farm Pond If Yes, true vertical depth: DWR Permit #: Bottom Hole Location: (Note: Apply for Permit with DWR) KCC DKT #: Will Cores be taken? ✓ Yes If Yes, proposed zone: Squirrel RECEIVED KANSAS CORPORATION COMMISSION **AFFIDAVIT** The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq. 0CT 1 2 2004 It is agreed that the following minimum requirements will be met: 1. Notify the appropriate district office prior to spudding of well; CONSERVATION DIVISION 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig; The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation. 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; 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. 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: October 12, 2004 Signature of Operator or Agent:// Remember to: For KCC Use ONLY 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; Minimum surface pipe required Submit plugging report (CP-4) after plugging is completed; Obtain written approval before disposing or injecting salt water. If this permit has expired (See: authorized expiration date) please This authorization expires: check the box below and return to the address below. (This authorization void if drilling not started within 6 months of effective date.) Well Not Drilled - Permit Expired Spud date: Signature of Operator or Agent: Agent:

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.

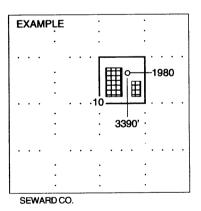
API No. 15 -	Location of Well: County: Coffey
Operator: D.E. Exploration, Inc.	3300 feet from N / S Line of Section
Lease: Wright	640 feet from 🗸 E / W Line of Section
Well Number: R-2	Sec. 21 Twp. 22 S. R. 16 ✓ East Wes
Field: Neosho Falls - Leroy	
Number of Acres attributable to well: QTR / QTR / QTR of acreage: ApW2 _ E2SE _ NE	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.)

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

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).