

For KCC Use: 3-13-05
Effective Date: 3
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

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

Expected Spud Date 3-22-05
month day year

OPERATOR: License# 6374 (6-30-05)
Name: Bailey Oil Co. Inc.
Address: Box 446
City/State/Zip: Neodesha, Ks. 66757
Contact Person: Gene Bailey or LaDonna Bailey
Phone: 620-325-2635

CONTRACTOR: License# 33374 (2-28-06) Perof 3-8-05
Name: L&S Well Service LLC

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

If OWWO: old well information as follows:
Operator: N/A
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 #: _____

Spot East West
NW - NW - NE Sec. 18 Twp 30 S. R. 16
600 feet from S / (N) (circle one) Line of Section
2380 feet from (E) / W (circle one) Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Wilson
Lease Name: Fee I Well #: Olson 3B
Field Name: Neodesha
Is this a Prorated / Spaced Field? Yes No
Target Information(s): Bartlesville (Cherokee)
Nearest Lease or unit boundary: 600
Ground Surface Elevation: 800 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: 100 +
Depth to bottom of usable water: 200 +
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 20
Length of Conductor Pipe required: NONE
Projected Total Depth: 1025
Producing Formation Target: 925

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. 55-101, 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: 3/1/05 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
API # 15 - 205 26004.00-00
Conductor pipe required NONE feet
Minimum surface pipe required 20 feet per Alt. 2
Approved by: RJP 3-8-05
This authorization expires: 9-8-05
(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.

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

RECEIVED
MAR 04 2005
KCC WICHITA

18
30
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: Bailey Oil Co. INC.
 Lease: Fee 1
 Well Number: Olson 3-B
 Field: Neodesha
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NW - NW - NE

Location of Well: County: Wilson

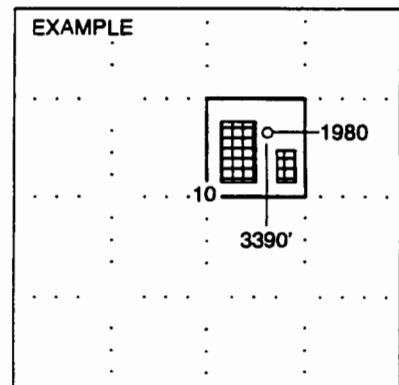
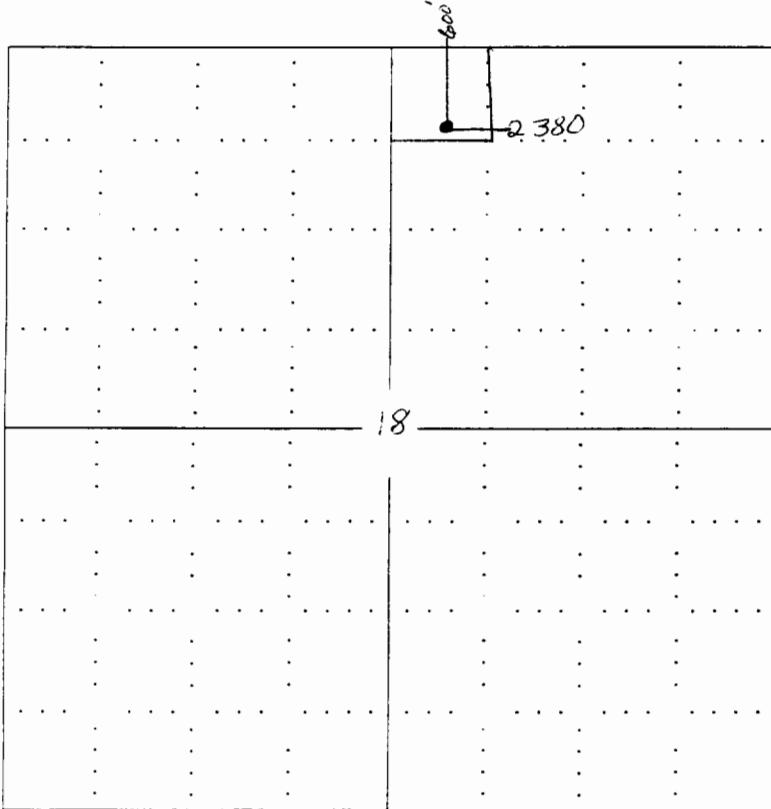
 600 feet from S (N) (circle one) Line of Section
 2380 feet from E / W (circle one) Line of Section
 Sec. 18 Twp. 30 S. R. 16 East West

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).