

For KCC Use: 4.3.05
Effective Date: _____
District # 1
SGA? Yes No

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

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

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

Expected Spud Date 04 20 05
month day year

Spot _____ East
_____ CSW Sec. 25 Twp. 21 S. R. 16 West

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

1320 feet from / (circle one) Line of Section
1320 feet from E / W (circle one) Line of Section
Is SECTION Regular Irregular?

CONTRACTOR: License# 33323 ✓
Name: Petromark

(Note: Locate well on the Section Plat on reverse side) .
County: Pawnee
Lease Name: Ward Feed Yard Well #: 2
Field Name: Sweeney Southwest

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
 Other _____

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary: 1320'

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

Ground Surface Elevation: 1970est feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 40 180
Depth to bottom of usable water: 700 200 Kansas
Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 900
Length of Conductor Pipe required: N/A
Projected Total Depth: 3950
Formation at Total Depth: Arbuckle

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: 3-25-05 Signature of Operator or Agent: Jason Dinges Title: Agent

For KCC Use ONLY
API # 15 - 145-21519-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 220 feet per Alt. 1
Approved by: RJP 3.29.05
This authorization expires: 9.29.05
(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.

25 21 16w

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: Ward Feed Yard
 Well Number: 2
 Field: Sweeney Southwest
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____

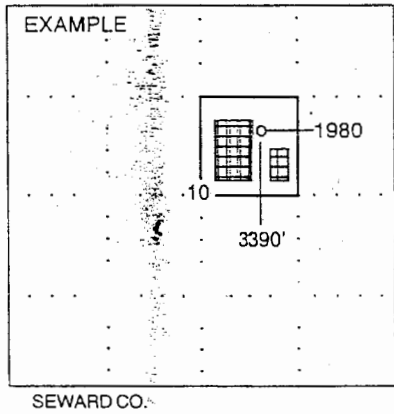
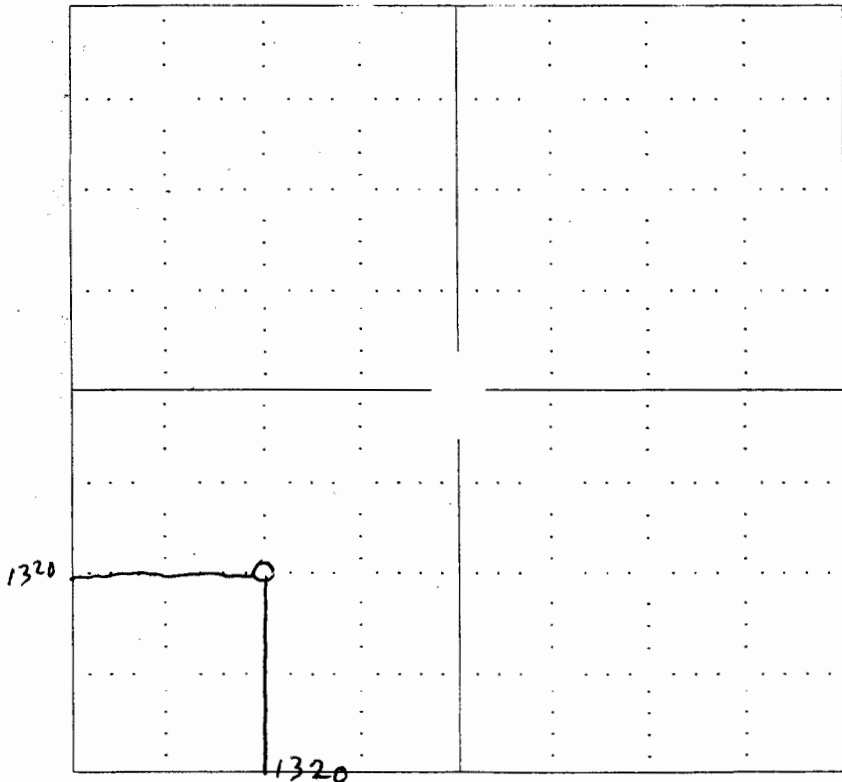
Location of Well: County: Pawnee
 _____ 1320 feet from Ⓢ / N (circle one) Line of Section
 _____ 1320 feet from E / Ⓜ (circle one) Line of Section
 Sec. 25 Twp. 21 S. R. 16 East West

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).



KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

March 29, 2005

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

Re: Drilling Pit Application
Ward Feed Yard Lease Well No. 2
SW/4 Sec. 25-21S-16W
Pawnee County, Kansas

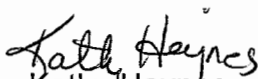
Dear Mr. Dinges:

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,


Kathy Haynes

Environmental Protection and Remediation Department

Cc: S Durrant