

CORRECTED

For KCC Use:
Effective Date: 9/06/05
District #: 3
SGA? Yes No

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

Form C-1
December 2002
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 September 9, 2005
month day year AP NE

Spot East
SW SW NE/4 Sec. 33 Twp. 34 S. R. 12 West
2145 feet from N / S Line of Section
2040 feet from E / W Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 9722 (7.30.06)
Name: G & J Oil Company, Inc.
Address: Rt 1 Box 212
Caney, KS 67333
City/State/Zip:
Contact Person: Gene Nunneley
Phone: 620-879-2543

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

County: Chautauqua
Lease Name: High Well #: 12
Field Name: Peru Sedan
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Wayside

CONTRACTOR: License# 5989 (6.30.06)
Name: Finney Drilling Company

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

Nearest Lease or unit boundary: 600 feet
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: 20 feet
Depth to bottom of usable water: 225 feet

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

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 40 feet
Length of Conductor Pipe required: none
Projected Total Depth: 1100 feet
Formation at Total Depth: Wayside

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

Water Source for Drilling Operations:
 Well Farm Pond Other Haul In
DWR Permit #: N/A
(Note: Apply for Permit with DWR)

Expiration date was: 3-6-2006 (6 months from effective date)
Expiration date is: 3-1-2006 (6 months from approval date)

Will Cores be taken? Yes No
If Yes, proposed zone: Wayside

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:

RECEIVED
SEP - 1 2005

KCC WICHITA

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.
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: 8/30/05 Signature of Operator or Agent: Gene Nunneley Title: Pres

For KCC Use ONLY
API # 15 - 019-26699.00-00
Conductor pipe required NONE feet
Minimum surface pipe required 40 feet per Alt. + (2)
Approved by: RSP9-1.05/RSP10-7.05
This authorization expires: 3.1.06
(This authorization void if drilling not started within 6 months of 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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: _____
Date: _____

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

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