

For KCC Use: Effective Date: 12-4-05  
 District #: 3  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 December 2002  
 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

Expected Spud Date: 12 16 2005  
month day year

Spot: NW NW SE Sec. 13 Twp. 16 S. R. 24  East  West  
2310 feet from  N /  S Line of Section  
2310 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

OPERATOR: License# 33677  
 Name: Canary Operating Corporation  
 Address: 7230 W. 162nd Street, Suite A  
 City/State/Zip: Stilwell, KS 66085  
 Contact Person: Steve Allee  
 Phone: 913-239-8960

(Note: Locate well on the Section Plat on reverse side)  
 County: Miami  
 Lease Name: Ray Well #: 36-13-16-24  
 Field Name: Paola-Rantoul  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Marmaton & Cherokee Coals

CONTRACTOR: License# 33072  
 Name: Well Refined Drilling Co.

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

Nearest Lease or unit boundary: 330'  
 Ground Surface Elevation: 1045 (Est. from Topo) 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: 250' +/-  
 Depth to bottom of usable water: 350' +/-  
 Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 20'  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 700' +/-  
 Formation at Total Depth: Cherokee  
 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: \_\_\_\_\_

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 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. 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: 11/23/05 Signature of Operator or Agent: [Signature] Title: \_\_\_\_\_  
 For Canary Operating Corporation

For KCC Use ONLY  
 API # 15 - 121-28127-0000  
 Conductor pipe required: NONE feet  
 Minimum surface pipe required: 20 feet per Alt. 1 (2)  
 Approved by: RJP 11-29-05  
 This authorization expires: 5-29-06  
 (This authorization void if drilling not started within 6 months of approval 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

RECEIVED  
 NOV 28 2005  
 KCC WICHITA

13-16-24

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

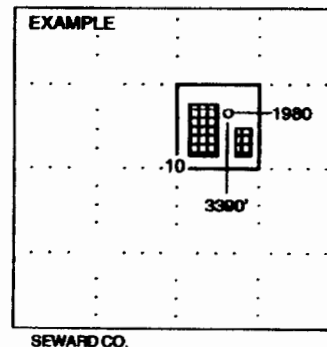
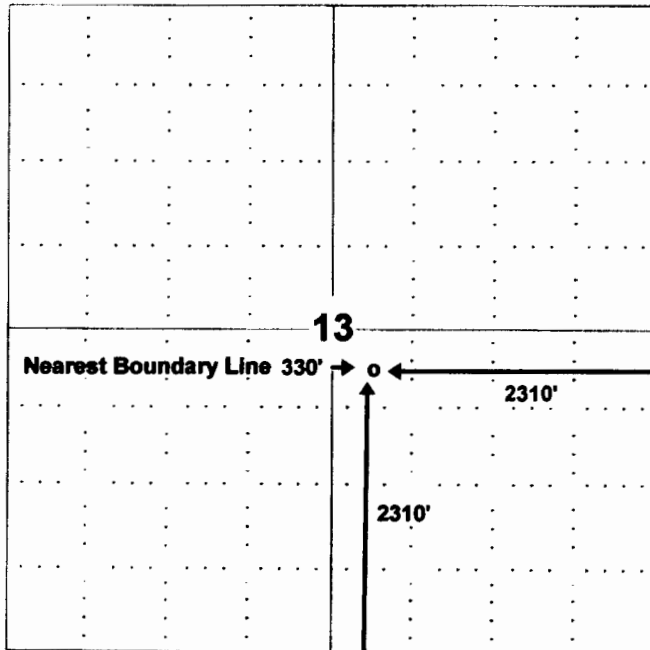
*If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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: Canary Operating Corporation  
 Lease: Ray  
 Well Number: 36-13-16-24  
 Field: Paola-Rantoul  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_

Location of Well: County: Miami  
 \_\_\_\_\_ 2310 feet from  N /  S Line of Section  
 \_\_\_\_\_ 2310 feet from  E /  W Line of Section  
 Sec. 13 Twp. 16 S. R. 24  East  West  
 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.)*



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

**Miami Co.**

**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).

**RECEIVED**  
**NOV 28 2005**

**KCC WICHITA**