

For KCC Use:
 Effective Date: 6-7-05
 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 05 - 20 - 2005
month day year

Spot As 90' N & 36' W of
S/2 SE - SW Sec. 32 Twp. 27 S. R. 18
 East West
420 feet from N / S Line of Section
1944 feet from E / W Line of Section
 Is SECTION Regular Irregular?

OPERATOR: License# 3097
 Name: K-W Oil Well Service Inc.
 Address: 19450 Ford Road
 City/State/Zip: Chanute, Kansas 66720
 Contact Person: Jim Kepley
 Phone: 620.431.2285

CONTRACTOR: License# 3097
 Name: Company Tools

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> QWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

(Note: Locate well on the Section Plat on reverse side)
 County: Neosho
 Lease Name: Chase Well #: 1
 Field Name: Chanute - Humboldt
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Tucker
 Nearest Lease or unit boundary: 420
 Ground Surface Elevation: _____ 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: 150'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 20'
 Length of Conductor Pipe required: NONE 900'
 Projected Total Depth: 900'
 Formation at Total Depth: Miss. 3 900'
 Water Source for Drilling Operations:
 Well Farm Pond Other _____
 DWR Permit #: _____

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____
 Directional, Deviated or Horizontal wellbore? Yes No
 Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC-DKT #: _____

* LETTER FROM W.W. OWNER RELIEVED

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: 5/1/05 Signature of Operator or Agent: [Signature] Title: Pres

For KCC Use ONLY
 API # 15 - 133-26311-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 20 feet per Alt. # 2
 Approved by: RJP 6.2.2005
 This authorization expires: 12.2.05
 (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.
- 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: [Signature]
 Date: 1/6/06

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

RECEIVED
 JAN 11 2006
 KCC WICHITA

RECEIVED
 MAY 16 2005
 KCC WICHITA

32
 27
 184