

1st Correction

***CORRECTED**

For KCC Use: 5-14-06
 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

December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

Expected Spud Date May 4, 2006
 month day year

OPERATOR: License# 5723
 Name: John M. Denman Oil, Inc.
 Address: PO Box 36
Sedan, KS 67361
 City/State/Zip:
 Contact Person: Wayne Bright
 Phone: 620-330-2891

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

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

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 #: _____

Spot SW, SE4 NW Sec. 20 Twp. 33 S. R. 10 ☒ East
 2990' feet from ☐ N / ☒ S Line of Section
 3640' feet from ☒ E / ☐ W Line of Section
 Is SECTION ☒ Regular ☐ Irregular?

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

County: Chautauqua

Lease Name: W.W. Smith/Birch Well #: 18A

Field Name: Unknown

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Peru

Nearest Lease or unit boundary: 1000

Ground Surface Elevation: 1045' estimate 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: Unknown

Depth to bottom of usable water: Unknown

Surface Pipe by Alternate: ☐ 1 ☒ 2

Length of Surface Pipe Planned to be set: 40' Minimum of 8 5/8"

Length of Conductor Pipe required: None

Projected Total Depth: 1750'

Formation at Total Depth: Peru

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 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: 5/4/06 Signature of Operator or Agent: Charlotte Kepkari Title: Agent

For KCC Use ONLY

API # 15 - 019-26727-0000
 Conductor pipe required None feet
 Minimum surface pipe required 40' feet per Alt. X2
 Approved by: RM 5-9-06/RH 5-12-06
 This authorization expires: 11-4-06
 (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
 MAY 04 2006

KCC WICHITA

RECEIVED

MAY 12 2006

KCC WICHITA