

For KCC Use: 1-29-06
 Effective Date: _____
 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: 2 6 2006
month day year

25' South of:
 Spot NW SE SE Sec. 24 Twp. 16 S. R. 24 East West
965 feet from N / S Line of Section
990 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

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

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

(Note: Locate well on the Section Plat on reverse side)
 County: Miami
 Lease Name: Norris Well #: 50A-24-16-24
 Field Name: Louisburg
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Marmaton & Cherokee Coals
 Nearest Lease or unit boundary: 965
 Ground Surface Elevation: 1066 (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: 300' +/-
 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: _____

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: 1/19/06 Signature of Operator or Agent: [Signature] Title: _____
 For Canary Operating Corporation

For KCC Use ONLY

API # 15 121-28156-00-00

Conductor pipe required: NONE feet

Minimum surface pipe required: 20 feet per Alt. # (2)

Approved by: RSP1-24-06

This authorization expires: 7-24-06
(This authorization void if drilling not started within 6 months of approval date.)

Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form GDP-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: 7/24/06

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

KCC WICHITA
 RECEIVED
 JUL 31 2006

RECEIVED

24
 16
 24/E