

*Correction KCC

For KCC Use: Effective Date: 5-30-06 District # 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

RECEIVED

Form C-1 December 2002

NOTICE OF INTENT TO DRILL

MAY 25 2006

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

KCC WICHITA

Expected Spud Date June 1 2006

Spot NE SW NE Sec. 36 Twp. 33 S. R. 10 East West

OPERATOR: License# 33472 Name: 3 - D Oil Company Address: 505 Moore City/State/Zip: Dewey, Oklahoma 74209 Contact Person: Bill Sweeney Phone: (620) 725 - 5443

1335 feet from N / S Line of Section 1490 feet from E / W Is SECTION Regular Irregular?

CORRECTED

CONTRACTOR: License# 33374 Name: L & S Well Service

(Note: Locate well on the Section Plat on reverse side) County: Chautauqua Lease Name: McCann Well #: 1 - A Field Name: Peru - Sedan Oil & Gas

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

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Mississippi Chat/Limestone Nearest Lease or unit boundary: 170 Ground Surface Elevation: 900 (Estimated) feet MSL

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

Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No Depth to bottom of fresh water: 200 Depth to bottom of usable water: 480

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

Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 40' Length of Conductor Pipe required: none Projected Total Depth: ~~1800~~ 2350'

* WAS: PTD 1800' Fm ETD Mississippi Chat IS: PTD 2350' Fm ETD Arbuckle

* Formation at Total Depth: Mississippi Chat/Limestone Arbuckle 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: May 24, 2006 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY API # 15 - 019-26737-0000 Conductor pipe required None feet Minimum surface pipe required 40 feet per Alt. V(2) Approved by: R.H. 5-25-06 / R.H. 9-5-06 This authorization expires: 11-25-06 (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

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