

Permit Extension
request Received 1-5-07

For KCC Use:
Effective Date: 7-30-06
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 8 10 2006
month day year

Spot East West
SE-NW - NW - SE14 Sec. 36 Twp. 27 S. R. 16
2145 feet from N / S Line of Section
2145 feet from E / W Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 33319 33119
Name: Heat Can Oil, LLC
Address: P.O. BOX 517
City/State/Zip: Chanute, KS, 66720
Contact Person: Dick Cornell
Phone: 620-431-6027

(Note: Locate well on the Section Plat on reverse side)
County: Wilson
Lease Name: C. REAVES Well #: HC- #16

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

Field Name: Vilas
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippi

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

Nearest Lease or unit boundary: 495
Ground Surface Elevation: 960 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: 50
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: N/A
Projected Total Depth: 1225

Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
 Well Farm Pond Other Air Rig

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 #: _____

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: 7-20-06 Signature of Operator or Agent: Dick Cornell Title: FE

RECEIVED
JUL 24 2006

KCC WICHITA

30
27
10E

For KCC Use ONLY
API # 15 - 205-26879-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. Y(2)
Approved by: RH 7-25-06/Rev 1-5-07
This authorization expires: 1-25-07 7-25-07
(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: _____