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For KCC Use: 6-7-06
Effective Date: 6-7-06
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 7 23 06
month day year

Spot SW NW NW Sec. 18 Twp. 16 S. R. 25 East West
990 feet from N / S Line of Section
330 feet from E / W Line of Section

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

Is SECTION Regular Irregular?
County: Miami
Lease Name: Deer Well #: 9-18-16-25
Field Name: Louisburg

CONTRACTOR: License# NA, will advise on ACO-1 MUST BE LICENSED WITH KCC
Name: NA, will advise on ACO-1 MUST BE LICENSED WITH KCC

(Note: Locate well on the Section Plat on reverse side)
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Marmaton & Cherokee Coals

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

Nearest Lease or unit boundary: 330
Ground Surface Elevation: 1029 (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: 140'+/-
Depth to bottom of usable water: 240'+/- 300'

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

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

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

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: 5/27/06 Signature of Operator or Agent: R.A. Allee Title: _____
For Canary Operating Corporation

For KCC Use ONLY
API # 15 - 21-28221-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. X2
Approved by: R.A. Allee 6-2-06
This authorization expires: 12-2-06
(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: R.A. Allee
Date: 12-11-06

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

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DEC 14 2006
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