

For KCC Use:
 Effective Date: 9-10-06
 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

Expected Spud Date September 6 2006
month day year

OPERATOR: License# 3473
 Name: William T. Wax
 Address: P. O. Box 276
McCune, KS 66753
 Contact Person: Bill Wax
 Phone: 620/724-3400
 CONTRACTOR: License# 3473
 Name: Bill Wax

Spot East
 SW SW SW Sec. 30 Twp. 33 S. R. 19 West
330 feet from N / S Line of Section
330 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Labette
 Lease Name: L. Jones Well #: 5
 Field Name: Mound Valley South

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Cherokee Coals/Sands, Miss Cha/Lime
 Nearest Lease or unit boundary: 330

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

Ground Surface Elevation: _____ 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: 200+

Depth to bottom of usable water: 250+

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe required: None

Projected Total Depth: 750

Formation at Total Depth: Miss Cha/Lime

Water Source for Drilling Operations:
 Well Farm Pond Other Air

DWR Permit #: N/A

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

If OWWO: old well information as follows:

Operator: N/A

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 #: _____

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: 08/30/06 Signature of Operator or Agent: [Signature] Title: _____

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: _____

30
33
19E

For KCC Use ONLY	
API # 15 -	<u>099-24099-0000</u>
Conductor pipe required	<u>None</u> feet
Minimum surface pipe required	<u>20</u> feet per Alt. VO 2
Approved by:	<u>Bill Wax 9-5-06 / Matt 3-2-07</u>
This authorization expires:	<u>3-5-07 9-5-07</u>
<small>(This authorization void if drilling not started within 6 months of approval date.)</small>	
Spud date:	Agent:

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

RECEIVED
SEP 01 2006
KCC WICHITA