

RECEIVED

APR 27 2006

Form C-1
December 2002

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

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 May 8 2006
month day year

OPERATOR: License# 31302
Name: Jones & Buck Development
Address: P.O. Box 66
City/State/Zip: Sedan, Kansas 67361
Contact Person: P. J. Buck
Phone: (620) 725 - 3636

CONTRACTOR: License# 5831
Name: MOKAT Drilling

<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<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 #: _____

Spot East
SW - NW - SW Sec. 5 Twp. 34 S. R. 12 West
1576 feet from N / S Line of Section
5115 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

County: Chautauqua
Lease Name: Capps Well #: JBD-05/9
Field Name: Peru-Sedan Oil & Gas
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Wayside Sandstone
Nearest Lease or unit boundary: 165
Ground Surface Elevation: 905 estimated 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: 205' 225'
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 40'
Length of Conductor Pipe required: none
Projected Total Depth: 1100'
Formation at Total Depth: Altamont Limestone

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: April 26, 2006 Signature of Operator or Agent: [Signature] Title: Geologist

For KCC Use ONLY

API # 15 - 019-26723-0000

Conductor pipe required None feet

Minimum surface pipe required 40 feet per Alt. XO2

Approved by: [Signature] 4-28-06

This authorization expires: 10-28-06
(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: [Signature]
Date: March 5, 2007

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

RECEIVED

MAR 06 2007

KCC WICHITA

5
34
12E