| For KCC Use: Effective Date: | 1-12-08 |
|---------------------------------|-------------|
| District # | 3. [v∕No |

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Form C-1 Form must be Typed Form must be Signed All blanks must be Filled

| Expected Spud Date | 1 | 15 | 2008 | Spot X | ast |
|--|--|--|---|--|-----------|
| | month | day | y ea r | NE. SE SE Sec. 13 Two. 16 S. R. 24 | /est |
| | 33677 | - | | 990feet from N / X S Line of Section | |
| OPERATOR: License# Canary | Operating Co | orporation | n | 330 | ı |
| | nd Street, Su | | | is SECTION X Regular Irregular? | |
| | , KS 66085 | · | | (Note: Locate well on the Section Plat on reverse side) | |
| Contact Person: Steve | Ailee | | | County Miami | |
| hone: 913-239- | 8960 | | | Lesse Name: Brugger was 49-13-1 | 6-24 |
| | | | | Field Name: Louisburg (Paola-Rantoul?) | |
| ONTRACTOR: License# | 33799 | | | Is this a Prorated / Spaced Field? | No |
| ame: Canary | Drilling, Inc. | <u> </u> | | Target Formation(s): Marmaton & Cherokee Coals | - |
| Well Drilled For: | Well Class | - Time | Equipment: | Nearest Lease or unit boundary: 330' | |
| | | | , , | Ground Surface Elevation: 990 (Est. from Topo) feet I | WISL |
| Oil Enh R | H | | Mud Rotary Air Rotary | Water well within one-quarter mile: | No |
| X Gas Storag | · 🚐 | | Cable | Public water supply well within one mile: | No |
| —————————————————————————————————————— | | -· <u> </u> | Califer | Depth to bottom of fresh water: 250' +/- (KCC) | |
| Seismic; # of | noiss Other | | | Depth to bottom of usable water: 300' +/- (KCC) | |
| Ou res | | | | Surface Pipe by Alternate: 1 x 2 201 | |
| OWWO: old well informa | ation as follows: | | | Length of Surface Pipe Planned to be set: 20 | |
| Operator: | <u> </u> | | | Length of Conductor Pipe required: None | |
| Well Name: | | | | Projected local Depart. | |
| Original Completion De | ate: | _Original Tota | al Depth: | Tormatori ai rota Copsi. | |
| Irectional, Deviated or Ho | nnizontal wellhori | | | Water Source for Drilling Operations: | |
| | AILONG WEIDOW | | Yes X No | [] the st] Fr = Frank Cohon X | |
| | | | Yes X No | Weil Farm Pond Other X | |
| • | | | | DWR Permit #: | |
| ottom Hole Location: | | | | DWR Permit #: | - IND |
| ottom Hole Location: | | | | DWR Permit #: | No |
| tottom Hole Location: | | | | OWR Permit #: | No |
| ottom Hole Location: | | | AFF | OWR Permit #: | No |
| ottom Hole Location: CC DKT #: he undersigned hereby a | affirms that the (| drilling, comp | AFF | OWR Permit #: | No |
| ottom Hole Location: CC DKT #: he undersigned hereby a is agreed that the follow | affirms that the c | drilling, comp quirements v | AFF Dietion and eventual p will be met: | OWR Permit #: | No |
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RECEIVED KANSAS CORPORATION COMMISSION

JAN 04 2008

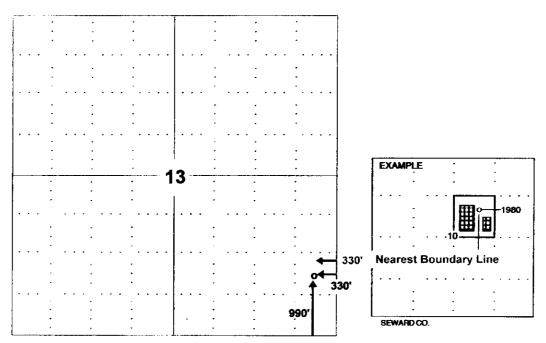
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a provided or spaced field, please fully complete this aide of the form. If the intended well is in a provided or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

| API No. 15- 121-28548-0000 | Location of Well: County: Miami |
|--|---|
| Operator: Canary Operating Corporation | 990feet fromN / x S Line of Section |
| Lease: Brugger | 990 feet from N / X S Line of Section 330 feet from X E / W Line of Section |
| Well Number: 49-13-16-24 | Sec. 13 Twp. 16 S. R. 24 X East West |
| Field: Louisburg (Paola-Rantoul?) | |
| Number of Acres attributable to well: | ls Section: X Regular or I Irregular |
| QTR / QTR / QTR of acreage: | If Section is tregular, locate well from nearest corner boundary. |
| | Section corner used: NE NW SE SW |

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)



NOTE: in all cases locate the spot of the proposed drilling locaton.

Miami Co.

In plotting the proposed location of the well, you must show:

- The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the section's south / north and east / west.
- 3. The distance to the nearest lease or unit boundary line.
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

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CONSERVATION DIVISION WICHITA, KS

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

| Operator Name: Canary Operating Corporation | | | License Number: 33677 | | |
|---|---|--|--|--|--|
| Operator Address: 7230 W. 162nd Street, Suite A, Stilwell, KS 66805 | | | | | |
| Contact Person: Steve Allee | | | Phone Number: (913) 239 - 8960 | | |
| Lease Name & Well No.: Brugger #49 | -13-16-24 | Pit Location (QQQQ): | | | |
| Type of Pit: Emergency Pit Burn Pit Settling Pit Type of Pit: | Pit is: X Proposed If Existing, date of | Existing constructed: | | | |
| Workover Pit Heul-Off Pit (If WP Supply API No. or Year Drilled) Is the pit located in a Sensitive Ground Water | Pit capacity: | (008) | | | |
| Is the bottom below ground level? X Yes No Pit dimensions (all but working pits): | Artificial Liner? Yes X Length (fi | No 8 | Chloride concentration: NA mg/l (For Emergency Pits and Sattling Pits only) How is the pit lined if a plastic liner is not used? Native clay(s) in soil Width (feet) N/A: Steel Pits (feet) | | |
| If the pit is lined give a brief description of the material, thickness and installation procedure | | liner integrity, in Constant o completion | dures for periodic maintenance and determining including any special monitoring. In-site maintenance during drilling and in operations | | |
| None 27 (l | | Depth to shallowest fresh water NA (OO feet. Source of information: measured well owner electric log KDWR Drilling, Workover and Hauf-Off Pits ONLY: Type of material utilized in drilling/workover: Air with mist | | | |
| Emergency, Settling and Burn Pits ONLY: Producing Formation: Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover:Air with mist Number of working pits to be utilized:1 Abendonment procedure:Let water evaporate then back fillpit with soil | | | |
| | | Drilf pits must be closed within 365 days of spud date. | | | |
| 12/31/07 Signeture of Applicant or Agent For Canary Operating Corporation | | | | | |
| KCC OFFICE USE ONLY | | | | | |
| Date Received: 1/4/08 Permit Number: Permit Date: 1/4/08 Lease Inspection: Yes No | | | | | |

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

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