

7-11-08 Contractor Lic.
CORRECTED

For KCC Use:
Effective Date: 7-15-08
District # 2
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
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: 07 / 31 / 08
month / day / year

OPERATOR: License# 5920
Name: TE-PE OIL & GAS
Address 1: P.O. BOX 522
Address 2:
City: CANTON State: KS Zip: 67428
Contact Person: TERRY BANDY
Phone: 620-628-4428

* CONTRACTOR: License# 3038
Name: C & G DRILLING CO

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

* WAS: Contractor License # 3038
IS: " " " 32701

Spot Description: CENTER OF THE SOUTHEAST QTR OF NORTHWEST QTR
C SE NW Sec. 15 Twp. 9 S. R. 4 E W
1,980 feet from N / S Line of Section
1,980 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: CLAY

Lease Name: R. CHAFFEE Well #: 2
Field Name: WAKEFIELD NE

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): MISSISSIPPIAN
Nearest Lease or unit boundary line (in footage): 660

Ground Surface Elevation: 1290 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: 120
Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 200 +

Length of Conductor Pipe (if any):
Projected Total Depth: 2040
Formation at Total Depth: KINDERHOOK

Water Source for Drilling Operations:
 Well Farm Pond Other: HAULED

DWR Permit #: (Note: Apply for Permit with DWR)
Will Cores be taken? Yes No

If Yes, proposed zone:

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 09 2008

CONSERVATION DIVISION
WICHITA, KS

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 correct to the best of my knowledge and belief.

Date: 7/8/08 Signature of Operator or Agent: [Signature] Title: OPERATOR

For KCC Use ONLY
API # 15 - 027-20044-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per ALT. I II
Approved by: [Signature] 7-10-08 [Signature] 7-11-08
This authorization expires: 7-15-09
(This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: Signature of Operator or Agent:

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

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