

For KCC Use:

Effective Date: 8-6-08
District # 3
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: 08 month 04 day 2008 year

OPERATOR: License# 9722
Name: G & J OIL COMPANY, INC.
Address 1: P. O. BOX 188
Address 2: _____
City: CANEY State: KS Zip: 67333 + 0 1 8 8
Contact Person: GENE NUNNELEY
Phone: 620-252-9700

CONTRACTOR: License# 5959 5989
Name: FINNEY DRILLING COMPANY

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

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 Description:
SE/4 NE SW SE Sec. 13 Twp. 34 S. R. 14 E W
(1/4/4) 940 feet from N / S Line of Section
1,485 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: MONTGOMERY

Lease Name: MELANDER Well #: 08-02

Field Name: HAVANA-WAYSIDE

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): WAYSIDE

Nearest Lease or unit boundary line (in footage): 165'

Ground Surface Elevation: N/A 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: 175'

Depth to bottom of usable water: 220 175'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe (if any): _____

Projected Total Depth: 675'

Formation at Total Depth: WAYSIDE

Water Source for Drilling Operations:

Well Farm Pond Other: HAUL IN

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: WAYSIDE

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 58-1101.

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: 7-30-08 Signature of Operator or Agent: Gene Nunneley Title: V.P.

For KCC Use ONLY
API # 15 - 125-31738-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT. I II
Approved by: Gene Nunneley 8-1-08
This authorization expires: 8-1-09
(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: _____

13
34
14
 E W

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 prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated 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 - 125-31738-0000
Operator: G & J OIL COMPANY, INC.
Lease: MELANDER
Well Number: 08-02
Field: HAVANA-WAYSIDE

Location of Well: County: MONTGOMERY
940 feet from N / S Line of Section
1,485 feet from E / W Line of Section
Sec. 13 Twp. 34 S. R. 14 E W

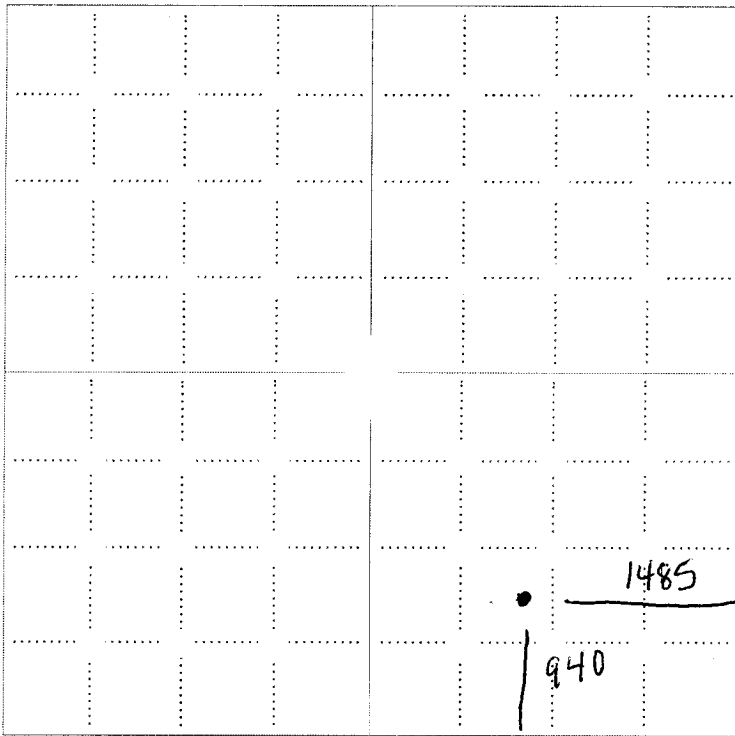
Number of Acres attributable to well: 10
QTR/QTR/QTR/QTR of acreage: SE/4 - NE - SW - SE

Is Section: Regular or Irregular

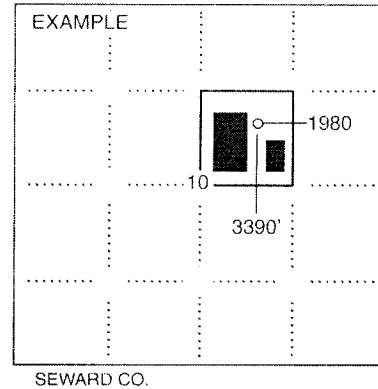
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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.)



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JUL 31 2008
CONSERVATION DIVISION
WICHITA, KS



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

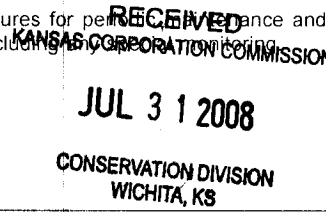
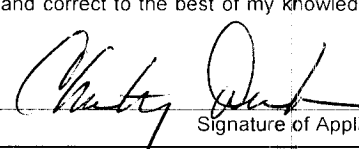
In plotting the proposed location of the well, you must show:

1. 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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: G & J OIL COMPANY, INC.		License Number: 9722
Operator Address: P. O. BOX 188		CANEY KS 67333
Contact Person: GENE NUNNELEY		Phone Number: 620-252-9700
Lease Name & Well No.: MELANDER 08-02		Pit Location (QQQQ): SE/4 NE SW SE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 100 (bbls)	Sec. 13 Twp. 34 R. 14 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 940 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1,485 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section MONTGOMERY County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? SHALE
Pit dimensions (all but working pits): 40 Length (feet) 8 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) <input type="checkbox"/> No Pit		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for performance and determining liner integrity, including _____
		
Distance to nearest water well within one-mile of pit N/A feet Depth of water well _____ feet	Depth to shallowest fresh water 100 feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	15-025-3173 @-0000
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? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: FRESH WATER Number of working pits to be utilized: 1 Abandonment procedure: Pit dried, backfill with overburden then topsoil restored at surface Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
7-30-08 Date	 Signature of Applicant or Agent	
KCC OFFICE USE ONLY		
Date Received: 7/31/08 Permit Number: _____	Permit Date: 7/31/08 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/>

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