

Corrected Intent ~~10/28/08~~
 Date: 10.17.08
 By: Tony Anderson
CORRECTED

For KCC Use: 6-10-08
 Effective Date: 6-10-08
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

General Manager
 Tony Anderson

Form C-1
 October 2007
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: June 15 2008
 month day year
 OPERATOR: License# 34102
 Name: Jayhawk Energy, Inc.
 Address 1: P. O. Box 191
 Address 2:
 City: Girard State: KS Zip: 66743
 Contact Person: Bill Wax
 Phone: 620-724-3400

Spot Description: * 5/2-SE SE Sec. 34 Twp. 28 S. R. 23 E W
 330 feet from N / S Line of Section
 330 feet from E / W Line of Section
 Is SECTION: Regular Irregular?

* CONTRACTOR: License# 0684 / 5675
 Name: M-S Drilling McPherson Drilling

(Note: Locate well on the Section Plat on reverse side)
 County: Crawford
 Lease Name: Nickelson Well #: 34-2
 Field Name: Wildcat
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): riverton coal

Well Drilled For: Oil Gas Seismic Other
 Well Class: Ent Rec Storage Disposal Other
 Type Equipment: Mud Rotary Air Rotary Cable
 # of Holes: _____
 If OWWO: old well information as follows:
 Operator: n/a
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

* Ground Surface Elevation: 950' 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: 50'
 Depth to bottom of usable water: 100'
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 20'
 Length of Conductor Pipe (if any): none
 Projected Total Depth: 600'
 Formation at Total Depth: riverton coal
 Water Source for Drilling Operations: Well Farm Pond Other: air
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

#was: Contractor 9684 MS Drilling
 IS: " 5675 McPherson Drilling
 #was: SE-SE-NE 2310' FNL, 330' FEL
 IS: SE-SE-NE 2310' FNL, 330' FEL Elev: 980 AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with KCC regulations.
 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: 05/29/08 Signature of Operator or Agent: [Signature] Title: _____

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 JUN 04 2008
 CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 037-22040-0000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: [Signature] 6-5-08 / 10-10-08
 This authorization expires: 6-5-09
 (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

34 28 23 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 - 037-22040-0000
Operator: Jayhawk Energy, Inc.
Lease: Nickelson
Well Number: 34-2
Field: Wildcat

Location of Well: County: Crawford
2,310 feet from N / S Line of Section
330 feet from E / W Line of Section
Sec. 34 Twp. 28 S. R. 23 E W

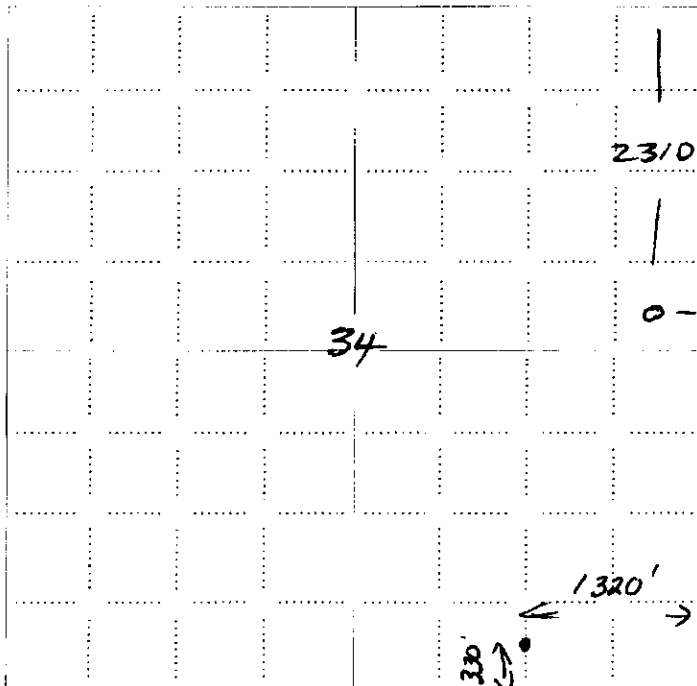
Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ SE _____ SE _____ NE

Is Section: Regular or Irregular

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

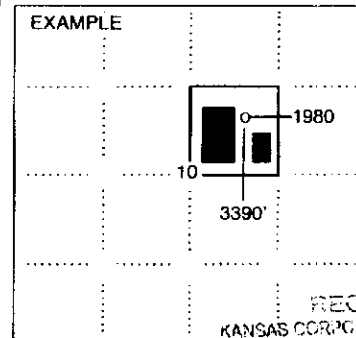
PLAT

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



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

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WICHITA, KS



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SEWARD CO.

JUN 04 2008

CONSERVATION DIVISION
WICHITA, KS

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).