

LOCATION CORRECTED BY NEW SURVEY

Horizontal Well Permit

CORRECTED

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: Effective Date: 1-4-04 District #: 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: November 23, 2003

Spot: AP 175'S & 70'E OF SE NE SE SE Sec. 36 Twp. 32 S. R. 10

OPERATOR: License# 31834 Name: Consolidated Gas and Energy Address: c/o Rte 2 Box 225 City/State/Zip: Neodesha, Ks 66757 Contact Person: J.J. Hanke Phone: 620) 325-5212 CONTRACTOR: License# 8736 Name: James D. Dixon

County: Chautauqua Lease Name: Arrington "5" Well # CGEH#1 Field Name: Floyd Landon Is this a Prorated / Spaced Field? No Target Information(s): Mulky Coal Nearest Lease or unit boundary: 2700' (unit) Ground Surface Elevation: 1120' feet MSL Water well within one-quarter mile: No Public water supply well within one mile: No Depth to bottom of fresh water: 120' + Depth to bottom of usable water: 200' - 300' Surface Pipe by Alternate: 2 Length of Surface Pipe Planned to be set: 65' Length of Conductor Pipe required: NONE Projected Total Depth: 1700' Formation at Total Depth: Mulky Coal Water Source for Drilling Operations: Well Farm Pond Other: DWR Permit #: (Note: Apply for Permit with DWR)

Well Drilled For: Oil Gas OAWO Seismic; # of Holes Other Well Class: Enh Rec Storage Disposal Pool Ext. Wildcat Other Well Class: Infield 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: 1700' Bottom Hole Location: 2350' FSL, 2900' FEL, Sec 31-32S-11E KCC DKT #: Horizontal Well Order (12/16/03) 04-CONS-144-CHOR

AFFIDAVIT *WAS: OWWO IS: New Well WAS: 15-019-26615-01-01 IS: 15-019-26636-01-00 NOV 10 2003 RECEIVED KCC WICHITA

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;
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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: Nov. 7, 03 Signature of Operator or Agent: J.J. Hanke Title: Consultant

For KCC Use ONLY API # 15 - 019-26636-01-00 Conductor pipe required NONE feet Minimum surface pipe required 40 feet per Alt. Approved by: RSP12.30.03/RSP6.9.04 This authorization expires: 6.30.04 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.

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

*API Number given 6-9-2004, ORIGINAL SURVEY WAS INCORRECT LOCATION RE-SURVEY PER KCCDIST#3 REQUEST

36 32 162