STATE OF KANSAS
KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
130 South Market - Room 2078
Wichita, Kansas 67202

WELL PLUGGING APPLICATION FORM
(PLEASE TYPE FORM and File ONE Copy)

API # 15-065-02755-00-00 (Identifier number of this well). This must be listed for wells drilled since 1967; if no API# was issued, indicate spud or completion date.

WELL OPERATOR: V.J.I. Natural Resources Inc.
ADDRESS: 30-38 48th St.
CITY: Astoria
STATE: New York
ZIP CODE: 11103
CONTACT PHONE #: 785-625-8360

LEASE: Holley
WELL #: 11-2
SEC.: 32
T.: 8
R.: 24

SPOT LOCATION/GOOGO

330 FEET (in exact footage) FROM S/N (circle one) LINE OF SECTION (NOT Lease Line)
660 FEET (in exact footage) FROM S/W (circle one) LINE OF SECTION (NOT Lease Line)

Check One: OIL WELL x GAS WELL ___ D&A ___ SWD/ENHR WELL ___ DOCKET___

CONDUCTOR CASING SIZE ___ SET AT ___ CEMENTED WITH ___ SACKS
SURFACE CASING SIZE 8 5/8 SET AT 213 CEMENTED WITH 175 SACKS
PRODUCTION CASING SIZE 5 1/2 SET AT 3962 CEMENTED WITH 100 SACKS

LIST (ALL) PERFORATIONS and BRIDGEPLUG SETS: 3850-3949

ELEVATION (G.L. X): 2443
T.D.: 3962
PBTD:
ANHYDRITE DEPTH 2145 (Stone Coral Formation)

CONDITION OF WELL: GOOD ___ POOR ___ CASING LEAK ___ JUNK IN HOLE ___

PROPOSED METHOD OF PLUGGING as per KCC suggestion

(If additional space is needed attach separate page)

IS WELL LOG ATTACHED TO THIS APPLICATION AS REQUIRED? yes ___ IS ACO-1 FILED? unknown ___

If not explain why? old well-drilled 1956

PLUGGING OF THIS WELL WILL BE DONE IN ACCORDANCE WITH K.S.A. 55-101 et. seq. AND THE RULES AND REGULATIONS OF THE STATE CORPORATION COMMISSION.

LIST NAME OF COMPANY REPRESENTATIVE AUTHORIZED TO BE IN CHARGE OF PLUGGING OPERATIONS:
Jason Minges
ADDRESS: 1584 Smokey Hill River Rd. Hays, Ks. 67601
PHONE #: 785-625-8360

PLUGGING CONTRACTOR: Swift Services Inc.
ADDRESS: P.O. Box 466, Ness City, Ks.
PHONE #: 785 798-2300

PROPOSED DATE AND HOUR OF PLUGGING (If Known?)
PAYMENT OF THE PLUGGING FEE (K.A.R. 82-3-118) WILL BE GUARANTEED BY OPERATOR OR AGENT
DATE: 07-13-04
AUTHORIZED OPERATOR/AGENT: [Signature]
Keith "A" Lease
Well No. 2
Loc. C 32 S 32 Sec. 32
Town 63 Range 24 W
County Graham
State Kansas
Pool Holley
Spud Date 1-24-56
Rotary Completed 1-28-56
Completion Date 2-2-56
Potential 414 BOPD
Gravity 39.7
Accum. Production to 1-57 9,312

Surf. casing set at 213' (8 5/8) with 175 Sacks
Production casing set at 3962' (54) with 100 Sacks
Rotary total depth 3962
Formation: 2443' RB

Anhydrite
Heebner
Toronto
Lansing
Rotary Total Depth
Elevation 2443' RB

Sample
Electric Log Yes

<table>
<thead>
<tr>
<th>Formation</th>
<th>Depth</th>
<th>Remarks</th>
<th>Electric Log</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lansing</td>
<td>160'Z</td>
<td>3925-32</td>
<td>Open - Perf 3926-31</td>
</tr>
<tr>
<td>180'Z</td>
<td>3944-49</td>
<td>5'</td>
<td>Open - Perf 3945-49</td>
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</tbody>
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Proving and Prospective Producing Zones

Formation Depth Remarks
Lansing 160'Z 3925-32 7' Open - Perf 3926-31
180'Z 3944-49 5' Open - Perf 3945-49

Completion Data:

1-29-56: Moved new unit into location.
1-30-56: Rigged unit up. Swabbing well down and drilling on staging collar.
1-31-56: Swabbed well to bottom. Drilling 22' of cement to TD of 3960.
2-1-56: Ran Halliburton log to TD. Shut down due to storm.
2-2-56: Perforated the 180' zone with 24 holes from 3945 to 49, using Halliburton 1/2" bullets. 3 hr. swab test showed 1 BOPH - NW natural. Perforated the 160' zone with 30 holes from 3926-31, using Halliburton 1/2" bullets. 2 hr. swab test showed 2 BOPH - NW.
2-3-56: 8 hr. fillup showed 550' all oil. Ran tubing with Baker packer set at 3938. Attempted to treat the 180' zone with 3000 gal. J-type acid by Chemical Process. Displaced 240 gal. acid using 450# pressure, at which time pressure on casing and tubing equalized, indicating that it had channeled into the 160' zone. Displaces 3760 gal. acid into 160' zone. Highest pressure 450#, 5 min. pressure drop 400# - 0#. Pulled tubing.
2-4-56: Swabbed a total of 237 bbl. oil. Started swab test 600' off bottom.
2-5-56: 16 hr. swab test 600' off bottom showed 35 BOPH - no water. Tore unit down and moved out.

June 201 Test

Laid BOPD:
10.0 3.0 2.0

Received
JUL 14 2004
KCC WICHITA
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Innone, Vincent d/b/a V.J.I. Natural Resources, Inc. 
30-38 48th Street 
Astoria, NY 11103

July 15, 2004

Re: HOLLEY #11-2
    API 15-065-02755-00-00
    S2SESE 32-8S-24W, 330 FSL 660 FEL
    GRAHAM COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division’s review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator’s legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely,

[Signature]
David P. Williams
Production Supervisor

District: #4
2301 E. 13th
Hays, KS 67601
(785) 625-0550

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.8200 Fax 316.337.8211 www.kcc.state.ks.us