KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

API # 15-145W20, 245-OO-O0 (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued, indicate original spud or completion date 02-08-1972.

Well Operator: Smokey Valley Resources (Owner/Company Name) KCC License #: 32081 (Operator's)

Address: P.O. Box 305 City: Chase
State: Kansas Zip Code: 67524 Contact Phone: (620) 894-0212

Lease: Miller Well #: #1 Sec. 17 Twp. 20 S. 20 X East West

C - NW SE Spot Location / QQQQ County: Paynee
KCC-1-12-05-SKA Per RBDHS Scout Card

1980 600 Feet (in exact footage) From North South (from nearest outside section corner) Line of Section (Not Lease Line)
1980 600 Feet (in exact footage) From East West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: Oil Well Gas Well D&A Cathodic Water Supply Well

SWD Docket # ENHR Docket # Other:

Conductor Casing Size: Set at: Cemented with:
Surface Casing Size: 8 5/8 Set at: 317 Cemented with: 185 Sacks
Production Casing Size: 5 1/2 Set at: 4301 Cemented with: 200 Sacks

List (ALL) Perforations and Bridgeplug Sets: open hole 4305

JAN 11 2005

Elevation: 2170 (Q.L/X/K.B) T.D.: PBTDO: Anhydrite Depth: 1367 (Stone Coral Formation)

Condition of Well: Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed):

Plug the well to the rules and regulations of the K.C.C.

Is Well Log attached to this application as required? Yes No Is ACO-1 filed? Yes No

If not explain why:

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:

George Saling Phone: (620) 894-0212

Address: P.O. Box 305 City/State: Chase, Kansas 67524

Plugging Contractor: Mike's Testing & Salvage (Company Name) KCC License #: 31529 (Contractor's)

Address: Chase, Kansas 67524 Phone: (620) 938-2943

Proposed Date and Hour of Plugging (if known?): NA

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent
Date 12-20-04 Authorized Operator / Agent: George Saling (Signature)

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Smokey Valley Resources, Inc.
212 E. Sunderland - PO Box 199
Chase, KS 67521

January 12, 2005

Re: MILLER #1
API 15-145-20245-00-00
NWSE 17-20S-20W, 1980 FSL 1980 FEL
PAWNEE 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,

David P. Williams
Production Supervisor

District: #1
210 E Frontview, Suite A
Dodge City, KS  67801
(620) 225-8888