KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC 10v (5) days prior to commencing well

For KCC Use Only

Effective Date
District #
GAS: Yes No

KCC Use Only

Affidavit

Date: May 5, 2005
Signature of Operator or Agent: 
Title: Agent

Remember to:
- File Drilling Application (B-10-C) with Intake to Drill;
- File Completion Form KCC-100 within 120 days of spud date;
- File acreage submission plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit grading report (CD-4) after grading is completed;
- Obtain written approval before disposing of injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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 well and within 1/2 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. 13: ___________
Operator: Payne Energy Operating, LLC
Lease: ___________
Well Number: 15-12
Field: Cherokee Basin Coal Area

Number of Acres attributable to well:
QTR / QTR / QTR of acreage: ___________ SE ___________ SE

Location of Well: County: Montgomery
Location:

<table>
<thead>
<tr>
<th>Foot from</th>
<th>Line of Surveym</th>
<th>Foot from</th>
<th>Line of Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>Line of Section</td>
<td>W</td>
<td>NE</td>
</tr>
<tr>
<td>Sec. 12</td>
<td>315</td>
<td>R</td>
<td>NE</td>
</tr>
<tr>
<td>Twp.</td>
<td>352</td>
<td></td>
<td>East</td>
</tr>
<tr>
<td>R</td>
<td></td>
<td></td>
<td>West</td>
</tr>
</tbody>
</table>

Is Section: Regular or Irregular

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

PLAT
(Give 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.

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 section’s south, north, east, west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be obtained (GT-7 for oil wells; CG-8 for gas wells).