NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Expected Spud Date: July 26, 2005

OPERATOR: License No. 5132
Name: John C. Fanning, Inc.
Address: PO Box 352
City/State/Zip: Atwood KS 67835
Contact Person: John Farmer Jr.
Phone: 785-483-3144

CONTRACTOR: License No. 31548
Name: Discovery Drilling

Well Drilled For: Oil
Well Class: Mud Rotary
Type Equipment: Other

Drilled on: 40W, 2310 ft

Co: 2

Is Section Regular: No

(Note: Locate well on the Survey Plat on reverse side)

County: Graham

Lease Name: Cooley

Field Name: Other

Is this a Producing/Spaced Field: No

Target Formation: LKC, Arbuckle

Nearest Lease or Unit boundary: 330

Ground Surface Elevation: 2300.E05

Set Mls: 0.00

Water well within one-quarter mile: Yes

Public water supply well within one mile: No

Depth to bottom of fresh water: 100 ft

Depth to bottom of usable water: 1000 ft

Surface Area by Alteration: 2

Length of Surface Pipe Planned to be Set: 200 ft

Length of Conductor pipe required: None

Projected Total Depth: 2000 ft

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Other

DNR Permit #: None

Will Reeves be taken? No

If Yes, proposed zone:

RECEIVED
JUN 23 2005

KCC WICHITA

AFFIDAVIT

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 printed on each driller's rig;
3. The minimum amount of surface pipe as specified below shall be set by driving cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 ft 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 is COMPLETED, 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 #133,981-C, which applies to KCC District 3 area, alternite II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases MFTP/II 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: 6/21/05

KCC BKT #

For KCC Use ONLY

API #: 1-55

Conductor pipe required: None

Minimum surface pipe required: 2300 ft

Approved: 6-23-05

This authorization expires: 12-23-05

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 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: 
Operator: John Q. Farmer, Inc.
Lease: Cokeys
Well Number: 1
Field: Morel
Number of Acres attributable to well: QTR / QTR / QTR of acreage: 40° W. NW NE. SE.

Location of Well: County: Graham
2210
Northing
000
Westing
Sec. 7
Twp. 9
R. 31
EAST
West

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.)

RECEIVED
JUL 3 2005
KCC WICHITA

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 and 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 attached (CO-7 for oil wells; CO-8 for gas wells).