KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Form C-1
September 1999
Form must be Typed
All Marks must be Printed

Effective Date:  7-17-05

Name: Lakey Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway
City/State/Zip: Kansas City, KS 66201
Contact Person: Vic Deat
Phone: 913-748-3967

OPERATOR: License#: 333065
Name.: Lakey Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway
City/State/Zip: Kansas City, KS 66201
Phone: 913-748-3967

CONTRACTOR: License#: 5831
Name.: Lakey Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway
City/State/Zip: Kansas City, KS 66201
Phone: 913-748-3967

Conversion of Section

Is SECTION  __ _ . Regular ______ Irregular ______
(Note: Locate well on the Section Plat on reverse side)

County: Montgomery
Lease Name: Chem
Field Name: Cherokee Basin Coal Area
Is this a Preceded Field? __ Preceded Field
Target Formation: __ Arbuckle
Nearest Lease or Unit Boundary: 136
Ground Surface Elevation: ___ feet MSL
Water well within one-quarter mile: YES ___ NO ___
Public water supply well within one mile: YES ___ NO ___
Depth to bottom of fresh water: ___ feet
Depth to bottom of usable water: ___ feet
Surface Pipe by Alternate: 1 _____ 2 _____
Length of Surface Pipe Planned to be set: 20 minimum
Length of Conductor Pipe required: None
Projected Total Depth: 2000 Feet
Formation at photo depth: ___
Water Source for Drilling Operations: 
In miles ___ feet ___
DWR Permit #: ___
Note: Apply for Permit with DWR ___
Will Core be taken? YES ___ NO ___
If yes, proposed zone:

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with KSA S.C. 56-171, et. seq.

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 workforce of surface pipe as specified below shall be seen by circulating cement to the top; in all cases surface pipe shall be set through unconsolidated material plus a minimum of 20 feet 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 abandoned 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 land date. In all cases, NOTIFY district office prior to any cementing.

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

Affidavit

Date: 7-11-2005
Signature of Operator or Agent: __________
Title: __________

For KCC Use ONLY
API #: 125-30794.00.00
Conductor pipe required: none
Minimum surface pipe required: 20 feet per acre
Approved by: APRT 12005
This application was received on: 7-17-05
Spud date: 7-11-2005
Agent: __________

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

Remember to:
- File Drill Pit Application (Form CPA-5) with Intent to Drill;
- File Completion Form ACO's within 120 days of spudd; 
- File appropriate plugging plans with field permission orders;
- Notify appropriate district office 44 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.
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plot 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 proportionally prorated 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: Jayne Energy Operating LLC. 
Lease: Cherokee 16-33 SWD 
Well number: 16-33 SWD 
Location of Well: County: Montgomery 
Number of Acres attributable to well: 
QTR / QTR / QTR of acreage: 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.)

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 west, surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north line / 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 must be attached. (CG-7 for oil wells; CG-8 for gas wells.)

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 1 2 2005

CONSERVATION DIVISION
WICHITA KS