NOTICE OF INTENT TO DRILL

FOR KCC USE ONLY

API #: 125 30887 00 00
Conductor pipe certified... NONE feet
Minimum surface pipe required... 300 feet per bit or 0
Approve by... 05/23/2005
(This authorization void if drilling not started within 6 months of approval.)
Spud date: Agent

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

December 2006
Form must be Signed
All blanks must be Filled

Form 0-1

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

For KCC Use Only

Effective Date:
District #: 3
SGA?: Yes  
No

Expected Spud Date: August 31, 2005

OPERATOR: License #: 33365
Name: J.R. Petree Operating, LLC
Address: 1900 Shawnee Mission Parkway
City/State/Zip: Mission Woods, KS 66205
Contact Person: M. Brent Petree
Phone: 913-749-3583

CONTRACTOR: License #: 33606
Name: Thornton Air
City/State/Zip: Nichols, KS
Phone: 785-263-7257

Well Drilled For:

Well Class:

- Oil
- Gas
- Storage
- OWNO
- Seismic:
  - # of holes: 4
  - Other

If OWNO: well information as follows:

- Operator:
  - Name:
  - Phone:

- Well Name:
- Original Completion Date:
- Original Total Depth:
- Directional, Dotted or Horizontal well?
- Yes  
- No
- If Yes, true vertical depth:

- Bottom Hole Location: [ ]

KCC DKT #:

INTENT EXPIRATION DATE:
WAS: 6 MONTHS FROM EFFECTIVE DATE 3-3-2006
IS: 6 MONTHS FROM APPROVAL DATE 2-28-2006

AFFIDAVIT

This undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-85 et. seq.

It is agreed that the following minimum requirements will be met:

1. 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 site.
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials 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 allowed to plug or production casing is cemented.
6. If an ALTERNATE II COMPLETION, 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 #109.591C, which applies to the KCC District 3 area, alternating II cementing must be completed within 30 days of the spud can or the well shall be plugged. 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.

Date: August 26, 2005
Signature of Operator or Agent:

Remember to:
- File Dril Pit Application form CDP-1 with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution form according to field proportion orders;
- Notify appropriate district office 40 days prior to worker or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before desilting or injecting salt water;
- If this permit has expired (See authorized expiration date) please check the box below and return to the address below.

Mail to: KCC - Conservation Division, 1225 S. Market - Room 2079, Wichita, Kansas 67202