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

Expected Spud Date: 12 22 03

OPERATOR: License# 3954
Name: Jaed Production Co., Inc.
Address: P.O. Box 902
City/State/Zip: Arkansas City, KS 67005
Contact Person: Jay Warren
Phone: (620) 442-0826

CONTRACTOR: License# 32701
Name: C & G Drilling Inc.

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

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date: Original Total Depth:
Directional, Deviated or Horizontal wellbore? No

If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Spool:


Sec.
32

S. R.
3

Field Name: Gibson
Is this a Prorated / Spaced Field? No

Target Formation(s): Arbuckle
Nearest Lease or unit boundary: 330
Ground Surface Elevation: 1129
Water well within one-quarter mile: No

Public water supply well within one mile: No

Depth to bottom of fresh water: 250
Surface Pipe by Alternate: 1
Length of Surface Pipe Planned to be set: 250
Length of Conductor Pipe required: None
Projected Total Depth: 3800
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: Farm Pond No

DWR Permit #: 32 34 WE

(Note: Apply for Permit with DWR)
Will Cores be taken? No

If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 posted on each drilling rig;
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 either plugged or production 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 spud 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.

Date: 12-16-03 Signature of Operator or Agent: Jay Warren Title: V.P.

For KCC Use ONLY

API # 15 - 035 - 24193.00 00
Conductor pipe required: None feet
Minimum surface pipe required: 300 feet per Alt. 1-
Approved by: 12/16/03
This authorization expires: 6/16/04
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: 12/16/03 Agent:
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: ___________________________ Location of Well: County: Cowley
Operator: Jaed Production Co., Inc. 3300 feet from S / N (circle one) Line of Section
Lease: Baird Drennan 2310 feet from E / W (circle one) Line of Section
Well Number: 23 Sec. 32 Twp. 34 S R. 3
Field: ___________________________ X East □ West

Number of Acres attributable to well: 10 Is Section ___Regular or _____Irregular

QTR / QTR / QTR of acreage: CW NE SW □ NW □ SE □ SW

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.)

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: (C0-7 for oil wells; CG-8 for gas wells).