NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Form C-1
December 2000
Forms must be Typed
All blanks must be filled

Expected Start Date: 8-15-2005

OPERATOR: 7363
Name: Shady Balding Corporation
Address: PO Box 466
City/State/Zip: Cimarron, Kansas 67026
Contact Person: Gately Balding
Phone: 620-566-2240

CONTRACTOR: 33323
Name: PetroMark

Well Drilled For: Oil
Well Class: Wildcat
Type of Equipment:
- [ ] Mud Rotary
- [ ] Air Rotary
- [ ] Cable
- [ ] Other

Well: 100'S & 100'E
Spot: 430
S & RT: 2080
West: 7
North: 19
Line of Section: 1
Section: 9
Town: NE
Range: 10
Line of Division: W

Is SECTION Regular or Irregular? Regular

Unit: Unit Well 1

Lease Name: Kick

Field Name: McDrive East

Target Formations: Cherokee Sand

Nearest Lease or Unit Boundary: 437

Ground Surface Elev.: 2150

Feet MSL: 120

Well depth: 700 Feet

Public water supply well within one mile: Yes

Depth to bottom of fresh water: 1996

Surface Pipe by Alternate: 3

Length of Surface Pipe Planned to be set: 400

Depth to bottom of usable water: 900

Length of Conductor Pipe required: None

Projected Total Depth: 4200

Formation at Total Depth: Cherokee Sand

Water Source for Drilling Operations:
- [ ] Well
- [ ] Farm Pond
- [ ] Other

DWR Permit #: 700

Will Core be taken? No

If Yes, proposed zone: 700

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugup 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 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 plugup.
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.

Or pursuant to Appendix 'E' - Eastern Kansas surface casing order 1133.891-1, which applies to the KCC District 5 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTFYP district allows prior to any cementing.

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

Date: 7-15-45

Signature of Operator or Agent: 

Mail to: KCC - Conservation Division, 130 S. Market - Room 2079, Wichita, Kansas 67202

Mail date: JUL 18 2005

KCC WICHITA
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: Grady Building Corporation
Lease: Frank
Well Number: 1
Field: McNamee East

Location of Well: County: Rush
430 feet from Sec. N1/W4
2080 feet from Sec. 9, Twp. 19, S., R. 30, ; W. 1/2 of Section

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.)

9-198-20 west Rush County, KS

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

RECEIVED
JUL 1 8 2005
KCC WICHITA