

For KCC Use:
Effective Date: _____
District # _____
SGA? Yes No

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
Form must be Signed
All blanks must be Filled

Expected Spud Date April 19 2001
month day year

OPERATOR: License# 3133
Name: KLM EXPLORATION CO. INC.
Address: 600 E. LAKE
City/State/Zip: MCCLOUTH, KS 66054
Contact Person: LARRY ALEX
Phone: 913-796-6763

CONTRACTOR: License# 32548
Name: KAN-DRILL, INC.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot East
NW - NE - SE Sec. 28 Twp. 9S S. R. 20E West
2475 FSL feet from S / N (circle one) Line of Section
825 FEL feet from E / W (circle one) Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: JEFFERSON

Lease Name: ZULE Well #: 11
Field Name: MCCLOUTH STORAGE FIELD

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): MCCLOUTH SANDSTONE
Nearest Lease or unit boundary: 165 FEET

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: 75 FEET
Depth to bottom of usable water: 275 FEET
Surface Pipe by Alternate: 1 XX 2
Length of Surface Pipe Planned to be set: 100 FEET

Length of Conductor Pipe required: NONE
Projected Total Depth: 1600 FEET
Formation at Total Depth: MCCLOUTH SANDSTONE

Water Source for Drilling Operations:
Well _____ Farm Pond XX Other _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)
Will Cores be taken? Yes 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: 4-11-01 Signature of Operator or Agent: Larry Alex Title: Consultant

For KCC Use ONLY
API # 15 - _____
Conductor pipe required _____ feet
Minimum surface pipe required _____ feet per Alt. 1 2
Approved by: _____
This authorization expires: _____ (This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 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

Plat of acreage attributable to a well in a prorated or spaced field

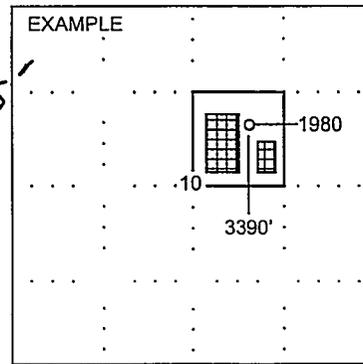
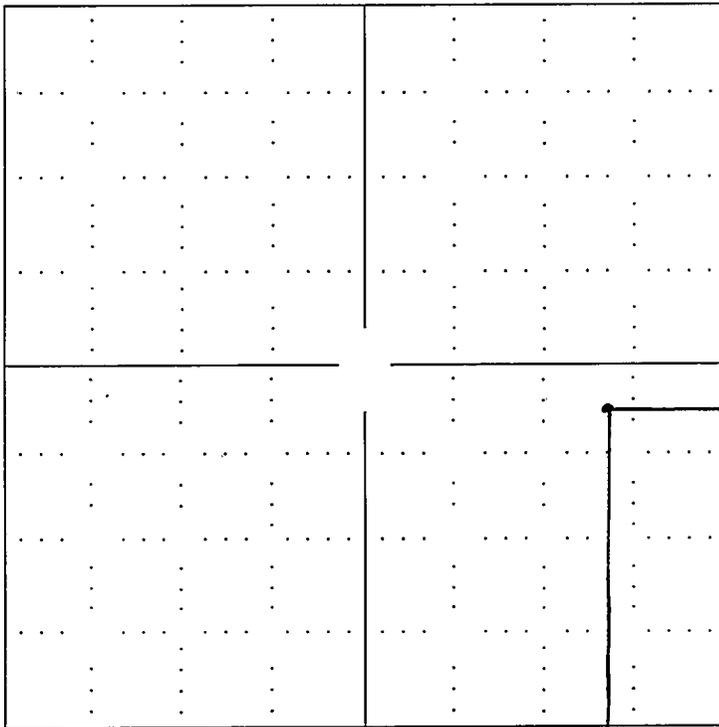
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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: _____
 Lease: ZULE
 Well Number: 11
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NW - NE - SE

Location of Well: County: JEFFERSON
2475 FSL _____ feet from S / N (circle one) Line of Section
825 FEL _____ feet from E / W (circle one) Line of Section
 Sec. 28 Twp. 9S S. R. 20E 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.)*



NOTE: *In all cases locate the spot of the proposed drilling locaton.*

2475'

In plotting the proposed location of the well, you must show:

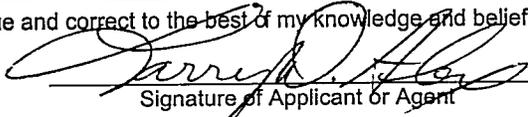
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
130 S MARKET - ROOM 2078
WICHITA KS 67202

APPLICATION FOR SURFACE POND

FORM MUST BE TYPED

SUBMIT IN DUPLICATE

OPERATOR NAME KLM EXPLORATION CO. INC.		LICENSE NO. 3133
OPERATOR ADDRESS 600 E. LAKE ST. MCLOUTH, KS 66054		
CONTACT PERSON LARRY ALEX		PHONE NUMBER (913) 796-6763
LEASE NAME ZULE	PIT IS: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing	PIT LOCATION SE Qtr. Sec 28 Twp 9S Rng 20E E/W
TYPE OF POND: <input type="checkbox"/> BURN PIT <input type="checkbox"/> EMERGENCY PIT <input type="checkbox"/> TREATMENT PIT <input type="checkbox"/> WORKOVER PIT <input checked="" type="checkbox"/> DRILLING PIT (If WP Supply API No. or Year Drilled)	If existing, date constructed: _____ PIT CAPACITY: 1600 (bbls)	2475 Ft from N/S (circle one) Line of Sec. 825 Ft from E/W (circle one) Line of Sec. JEFFESON COUNTY
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency and Treatment Pits only)
Is Pit bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No	How is pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 30 Length (ft) 10 Width (ft) Depth from ground level to deepest point 10 (ft)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. _____	Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. _____	
Distance to nearest water well within one-mile of pit _____ ft. Depth of water well _____ ft.	Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR	
EMERGENCY, TREATMENT AND BURN PITS ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pond? <input type="checkbox"/> Yes <input type="checkbox"/> No	DRILLING AND WORKOVER PITS ONLY: Type of material utilized in drilling/workover: _____ Number of working pits to be utilized: 3 Abandonment procedure: AIR DRY & BACKFILL _____ Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. 4-11-01 Date  Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Rec'd _____ Permit No. _____ Permit Date _____ Lease Inspection <input type="checkbox"/> Yes <input type="checkbox"/> No		