

COPY

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 July 26 2001
month day year

OPERATOR: License# 3133
Name: KLM EXPLORATION CO. INC.
Address: 600 LAKE ST. PO BOX 161
City/State/Zip: McLOUTH, KS 66054
Contact Person: LARRY ALEX
Phone: 913-796-6763

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

Well Drilled For: Well Class: Type Equipment:
Oil Gas CWWD Seismic; # of Holes Other
Enh Rec Storage Disposal
Infield Pool Ext Wildcat Other
Mud Rotary Air Rotary Cable

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 SE SW NE Sec. 33 Twp. 9 S. R. 20
2970 FSL feet from S N (circle one) Line of Section
1650 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: LASH Well #: 6
Field Name: McLOUTH STORAGE FIELD
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): McLOUTH SANDSTONE
Nearest Lease or unit boundary: 330

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: MISSISSIPPIAN

Water Source for Drilling Operations:
Well Farm Pond XX Other

DWR Permit #:

(Note: Apply for Permit with DWR)

Will Coras 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: 7-09-01 Signature of Operator or Agent: Herb Edwards Title: Agent

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: KLM EXPLORATION CO. INC.
 Lease: LASH
 Well Number: 6
 Field: McLOUTH STORAGE FIELD

Location of Well: County: JEFFERSON
 2970 FSL _____ feet from (S) N (circle one) Line of Section
 1650 FEL _____ feet from (E) W (circle one) Line of Section
 Sec. 33 Twp. 9 S. R. 20 East West

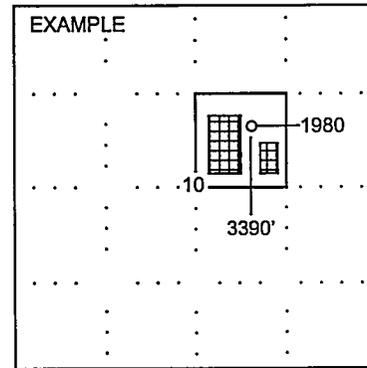
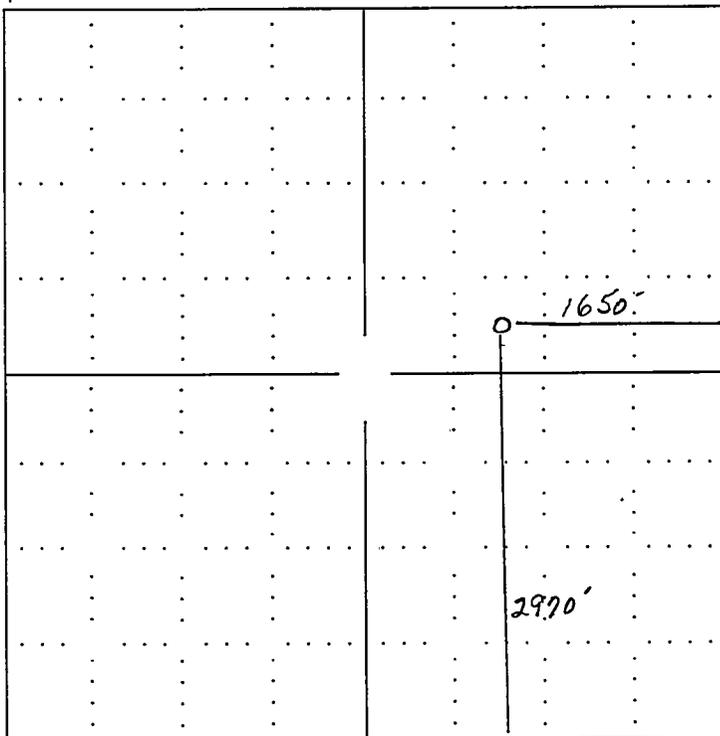
Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SE - SW - NE

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.

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

SUBMIT IN DUPLICATE

FORM MUST BE TYPED

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 LASH	PIT IS: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing	PIT LOCATION NE Qtr. Sec 33 Twp 9 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 (bbis)	2970 Ft from N (circle one) Line of Sec. 1650 Ft from E (circle one) Line of Sec. JEFFERSON COUNTY
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency and Treatment Pits only)
Is Pit bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" 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. COMPACTED CLAY	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 AND BACKDRILL 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. 7-09-01 Date <i>Sheel Edwards agent</i> 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		