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DEC 12 2003

Form C-1
September 1999
Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use: 1-14-04
Effective Date: 1-14-04
District #: 2
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

100'N & 90'E of

Expected Spud Date 12 16 03
month day year

Spot E/2 NE SW Sec. 28 Twp. 27 S. R. 04 East West

OPERATOR: License# 5920
Name: Te-Pe Oil & Gas
Address: P.O. Box 522
City/State/Zip: Canton, Kansas 67428
Contact Person: Terry P. Bandy
Phone: 620-628-4428

2080 feet from S N (circle one) Line of Section
2400 feet from E W (circle one) Line of Section
Is SECTION Regular Irregular?

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

CONTRACTOR: License# 32701
Name: C & G Drilling Company

County: Butler
Lease Name: Kramer Well #: 23
Field Name: Augusta North

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): LKC, Arbuckle

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

Nearest Lease or unit boundary: 660'
Ground Surface Elevation: 1219 feet MSL

Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 150
Depth to bottom of usable water: 180
Surface Pipe by Alternate: 1 2

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

Length of Surface Pipe Planned to be set: 300'
Length of Conductor Pipe required: None
Projected Total Depth: 2400
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
Well _____ Farm Pond _____ Other Hauled
DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone: _____

X Unit - lease on file

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: 12/11/03 Signature of Operator or Agent: Terry P. Bandy Title: Owner

For KCC Use ONLY
API # 15 - 015-23652-0000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. 1
Approved by: RJP 1-9-04
This authorization expires: 7-9-04
(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.

28 27 4E

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Side Two

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW **KCC WICHITA**

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: **Te-Pe Oil & Gas**

Lease: **Kramer**

Well Number: **23**

Field: **Augusta North**

Number of Acres attributable to well: **20**

QTR / QTR / QTR of acreage: **E/2 - NE - SW**

Location of Well: County: **Butler**

2080

feet from **S** / N (circle one) Line of Section

2400

feet from **E** / W (circle one) Line of Section

Sec. **28**

Twp. **27**

S. R. **04**

East West

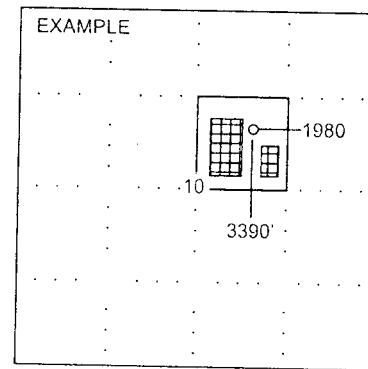
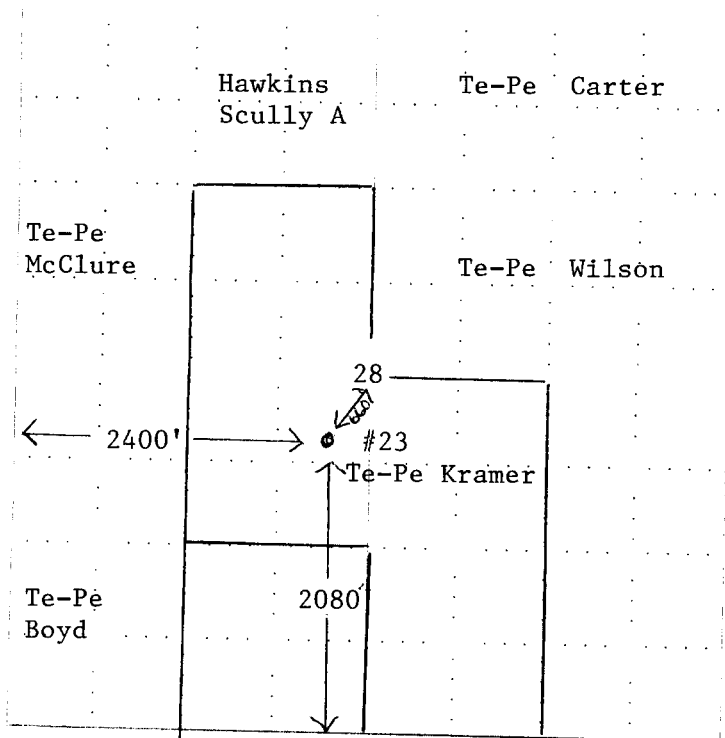
Is Section **X** Regular or Irregular

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



KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

JOHN WINE, COMMISSIONER

ROBERT E. KREHBIEL, COMMISSIONER

January 9, 2004

Mr. Terry P. Bandy
Te-Pe Oil & Gas
PO Box 522
Canton, KS 67428

RE: Drilling Pit Application
Kramer Lease Well No. 23
SW/4 Sec. 28-27S-04E
Butler County, Kansas

Dear Mr. Bandy:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 72 hours of drilling completion.

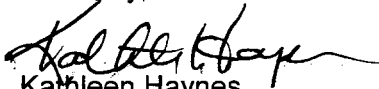
If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathleen Haynes
Environmental Protection and Remediation Department

cc: Doug Louis