

For KCC Use: 12-29-03
 Effective Date: 2
 District #: 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

RECEIVED

DEC 15 2003

Form C-1
 December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

Must be approved by the K.C.C. five (5) days prior to commencing operations.

KCC WICHITA

Expected Spud Date JANUARY 2 2004
month day year

Spot APPROXIMATELY
C - W/2 - NE Sec. 18 Twp. 16 S. R. 7
 East West
1300 feet from N / S Line of Section
1800 feet from E / W Line of Section

OPERATOR: License # 3842
LARSON OPERATING COMPANY
 Name: A DIVISION OF LARSON ENGINEERING, INC.
 Address: 562 WEST HIGHWAY 4
 City/State/Zip: OLMITZ, KS 67564-8561
 Contact Person: TOM LARSON
 Phone: (620) 653-7368

Is SECTION X Regular Irregular?

(Note: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License # 5929
 Name: DUKE DRILLING CO., INC.

County: ELLSWORTH
 Lease Name: SCHROEDER TRUST Well #: 1-18
 Field Name: WILDCAT

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): LANSING

Nearest Lease or unit boundary: 720'

Ground Surface Elevation: 1560' ESTIMATED 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: 150

Depth to bottom of usable water: 230

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor pipe required: NONE

Projected Total Depth: 2800'

Formation at Total Depth: LANSING

Water Source for Drilling Operations:

Well Farm Pond Other DRILLING CONTRACTOR

DWR Permit #:

(Note: Apply for Permit with DWR)

Will Cores Be Taken? Yes No

If yes, proposed zone:

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

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 a 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. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of spud date or the well shall be plugged. **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: 12/12/2003 Signature of Operator or Agent: Carol Larson Title: SECRETARY/TREASURER

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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date:

For KCC use ONLY

API # 15 - 053-21123-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 250 feet per Alt. 1*

Approved by: RJP 12-24-03

This authorization expires: 6-24-03

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

Mail to: KCC - Conservation Division 130 S. Market - Room 2078, Wichita, Kansas 67202

18
16
7w

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 - _____
 LARSON OPERATING COMPANY
 Operator: A DIVISION OF LARSON ENGINEERING, INC. _____
 Lease: SCHROEDER TRUST _____
 Well Number: 1-18 _____
 Field: WILDCAT _____

Location of Well: County: ELLSWORTH _____
 _____ 1300 feet from N / S Line of Section
 _____ 1800 feet from E / W Line of Section
 Sec. 18 Twp. 16 S. R. 7 East West

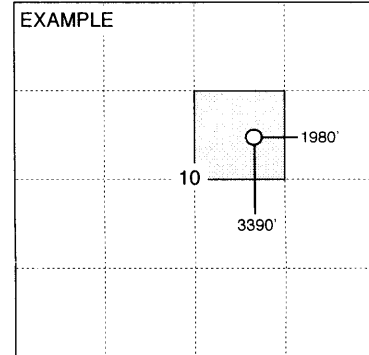
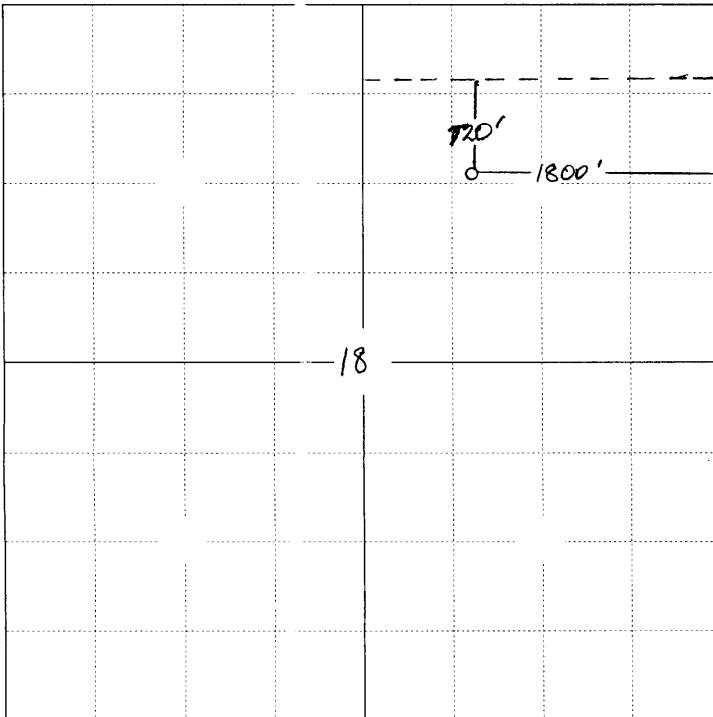
Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - _____ - NE

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.)*

ELLSWORTH COUNTY



SEWARD CO.

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

December 23, 2003

Mr. Tom Larson
Larson Operating Company
562 West Highway 4
Olmitz, KS 67564-8561

Re: Drilling Pit Application
Schroeder Trust Lease Well No. 1-18
NE/4 Sec. 18-16S-07W
Ellsworth County, Kansas

Dear Mr. Larson:

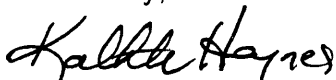
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and lined with bentonite. The fluids are to be removed from the reserve pit within 72 hours after drilling operations have ceased.

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, 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