

For KCC Use: 3-13-04  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 SGA?  Yes  No

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

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

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

Expected Spud Date March 29, 2004  
 month / day / year

OPERATOR: License# 5010  
 Name: Knighton Oil Company, Inc.  
 Address: 221 S. Broadway, Suite 710  
 City/State/Zip: Wichita, Kansas 67202  
 Contact Person: Earl M. Knighton, Jr.  
 Phone: 316-264-7918

CONTRACTOR: License# 5123  
 Name: Pickrell Drilling Company, Inc.

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes _____	<input checked="" type="checkbox"/> Wildcat	
<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 #: \_\_\_\_\_

Spot \_\_\_\_\_ East  
 C S/2 - SE Sec. 12 Twp. 26 S. R. 18  West  
660 feet from  N /  S Line of Section  
1320 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

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

Lease Name: Madden Well #: 1

Field Name: McClanahan East

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Mississippian

Nearest Lease or unit boundary: 660

Ground Surface Elevation: 2157 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: 220

Depth to bottom of usable water: 280

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 300'

Length of Conductor Pipe required: N/A NONE

Projected Total Depth: 4600'

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:  Well  Farm Pond  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 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. 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 the 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: March 5, 2004 Signature of Operator or Agent: \_\_\_\_\_ Title: Geologist, Dave Montague

<b>For KCC Use ONLY</b>	
API # 15 -	<u>047-21488-00-00</u>
Conductor pipe required	<u>NONE</u> feet
Minimum surface pipe required	<u>300</u> feet per Alt. <u>(1)</u>
Approved by:	<u>RJP 3-8-04</u>
This authorization expires:	<u>9-8-04</u>
(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.
- 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: \_\_\_\_\_

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

12 26 18E

**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: Knighton Oil Company, Inc.  
 Lease: Madden  
 Well Number: 1  
 Field: McClanahan East  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: C - S/2 - SE

Location of Well: County: Edwards  
660 feet from  N /  S Line of Section  
1320 feet from  E /  W Line of Section  
 Sec. 12 Twp. 26 S. R. 18  East  West

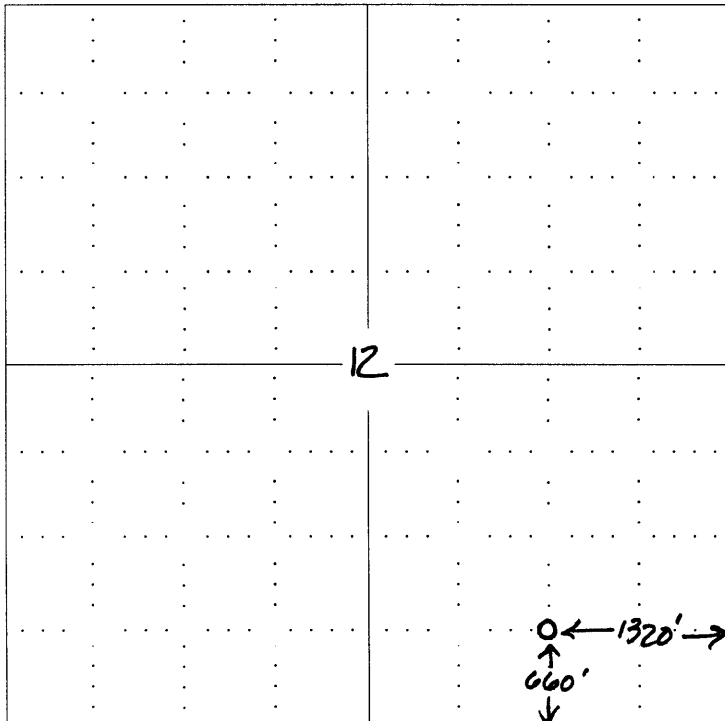
Is Section:  Regular or  Irregular

**If Section Is Irregular, locate well from nearest corner boundary.**

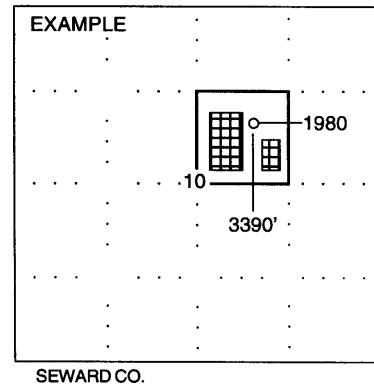
Section corner used:  NE  NW  SE  SW

**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.)*



RECEIVED  
 KANSAS CORPORATION COMMISSION  
 MAR 05 2004  
 CONSERVATION DIVISION  
 WICHITA, 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: (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

March 8, 2004

Mr. Earl M. Knighton, Jr.  
Knighton Oil Company, Inc.  
221 S. Broadway Ste 710  
Wichita, KS 67202

RE: Drilling Pit Application  
Madden Lease Well No. 1  
SE/4 Sec. 12-26S-18W  
Edwards County, Kansas

Dear Mr. Knighton:

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 as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

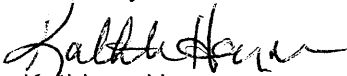
**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 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: S Durrant