

RECEIVED

MAY 24 2004

For KCC Use: 5-29-04
Effective Date: 3
District #
SGA? Yes No

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

KCC WICHITA

Form C-1
September 1999
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: May 27, 2004
month day year

OPERATOR: License# 5682 6/30/04
Name: Hughes Drilling Co.
Address: 122 N. Main
City/State/Zip: Wellsville, Ks. 66092
Contact Person: Carl (Clay) Hughes
Phone: 785-883-2235 or 913-963-9127

CONTRACTOR: License# company tools
Name: 6/30/04

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
 Enh Rec Storage Disposal
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: 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 -SW SW NE Sec. 7 Twp. 17 S. R. 21 East West
3050 feet from (circle one) Line of Section
2300 feet from (circle one) Line of Section
Is SECTION XX Regular Irregular?

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

Lease Name: South Hughes Well #: 9
Field Name: Paola-Rantoul

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Squirrel
Nearest Lease or unit boundary: 340

Ground Surface Elevation: na 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: 100 +

Depth to bottom of usable water: 200 +

Surface Pipe by Alternate: 1 XX 2

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe required: none

Projected Total Depth: 675

Formation at Total Depth: Squirrel

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: Squirrel

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: 5/19/04 Signature of Operator or Agent: Carl C. Hughes Title: partner

For KCC Use ONLY
API # 15 - 059-24992-0000
Conductor pipe required: NONE feet
Minimum surface pipe required: 20 feet per Alt. (2)
Approved by: RSPS-29-04
This authorization expires: 11-24-04
(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.

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

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17
2/E

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: Hughes Drilling Co.

Lease: South Hughes

Well Number: 9

Field: Paola-Rantoul

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: Franklin

2300 feet from (S) / N (circle one) Line of Section

3050 feet from (E) / W (circle one) Line of Section

Sec. 7 Twp. 17 S. R. 21 East West

Is Section X Regular or _____ Irregular

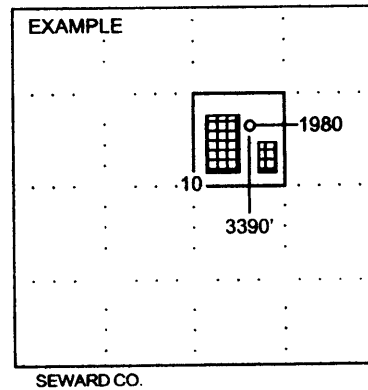
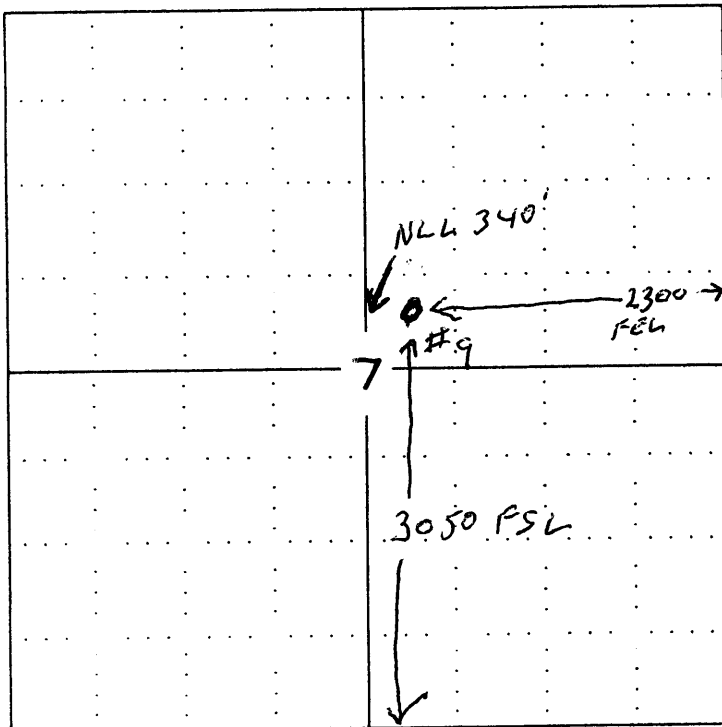
If Section is Irregular, locate well from nearest corner boundary.

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 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).