| For KCC Use: | 8-2-04 |
|-----------------|--------|
| Effective Date: | |
| District # | 4 |
| 2010 | m |

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

| Expected Spad Date August 10 2004 momin day year 100 2004 momin day year 100 year 100 2004 momin day 1 | Must be approved by KCC five | (5) days prior to commencing well |
|--|---|--|
| CEC NE SW Sec S Top 14 S. R. 17W West West Modern Section Sect | Expected Spud Date August 10 2004 | Snot 130' S of |
| 1650 Leet from N N Lee of Section | | |
| Name | 8729 | |
| Address: 704 Past 12th Street ContractPreson: David Herte1 ContractPreson: 1785) 628-2445 ContractPreson: 1785) 628-2445 ContractOre: Licenses: 31548 Name: Discovery Drilling Well Drilled For: Well Class: Type Equipment: Only Enh Rec Inteld Mud Rodary Gas Storage Onber Dosp Pound: Lasse Vanue: LKC & Arbuckle Selement: B of Holes Other Orbertor: B of Holes Other Openator: B of Holes Other Openator: Well Information as follows: Other Openator: Well Name: Original Total Depth: Discover Pipe by Alternate: 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | LICOTE COMPANY IIC | 2310 feet from F / XW Line of Section |
| CityState/Zip: Hays, KS 67601 Contact Person. David Hertel | 704 Foot 12th Street | Is SECTION X Regular Irregular? |
| Contract Person: David Hertel (785) 628-2445 Name: 31548 Name: Jiscovery Drilling Well Dilled For: Well Class: Type Equipment: Sol | H VC (7601 | • |
| Prione: (785) 628-2445 CONTRACTOR: Licenses 31548 CONTRACTOR: Licenses 31548 Name: Discovery Drilling Well Drilled for: Well Class: Type Equipment: Field Name: Vounger Gas Storage Pool Ext Air Hodary New Younger New You | David Hortol | plia (|
| CONTRACTOR: Licenses 31548 | (785) 628 2445 | |
| CONTRACTOR: License# 31549 Name: Discovery Drilling Well Drilled For: Well Class: Type Equipment: Gas Storage Pool Ext. Air Rodary Gwo Storage Pool Ext. Air Rodary | 1/ | Vouncor |
| Target Information(s): | CONTRACTOR: License# 31548 | |
| Well Drilled For: Well Class: Type Equipment: Ground Surface Elevation: 1996 Teet MSL Water well within one-quarter mile: Water well within one mile: Depth to bottom of treath water. 180 Water well within one-quarter mile: Water Surface Pipe Planned to the set. Depth to bottom of treath water. 180 Depth to bottom of usable water. 3600 Water Surface Pipe Planned to the set. World Water Surface Pipe Planned to the set. Water Surface Pipe Planned to | Name: Discovery Drilling | Target Information(s): LKC & Arbuckle |
| Solid Enh Rec Infeled Muld Rotary Water well within one-quarter mile: Wes Moo Disposal Wildows Other Cable Other Oth | Well Drilled For: Well Class: Type Equipment: | 1006 |
| Gas Storage Cool Ext Air Rotary OWO Disposal Wildcat Selsmit: # of Holes Other Oth | X Oil Enh Rec X Infield X Mud Rotary | Ground Surface Elevation. |
| Public water supply well within one mile: 180 | | |
| Seismic:# of Holes Other | | 1001 |
| Other Surface Pipe by Alternate: 1 | | 640! |
| If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: RECEIVED Will Cores be taken? If Yes, proposed zone: JUL 2 8 2004 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. If the appropriate district office will be notified before well is either plugged or production casing is comented in; If the proposed concerning the set of the | | Depth to bottom of usable water. |
| Converted Conductor Pipe required None | | 2001 |
| Well Name: Original Completion Date: Origin | If OWWO: old well information as follows: | The state of the s |
| Well Name: Original Completion Date: Original Total Depth: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: RECEIVED Will S Farm Pond DWR Permit #: (Note: Apply for Permit with DWR) Will Cores be taken? If Yes, proposed zone: Well S Farm Pond Other DWR Permit #: (Note: Apply for Permit with DWR) Will Cores be taken? If Yes, proposed zone: 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 or 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 Kanasa surface easigner "Ger #133,891-ck," which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well skill be plugged. In all offses, NOTIFY district office prior to any cementing. I hereby certify that the statements made herein are true and to the feet of my knowledgel and belief. Per KCC Use ONLY Approved by A TO TO SO OF TO | Operator: | Length of Conductor Libe required. |
| Original Completion Date: | | 7 |
| If Yes, true vertical depth: | Original Completion Date:Original Total Depth: | Tomation at Total Dopuis |
| Bottom Hole Location: RECEIVED DWR Permit #: (Note: Apply for Permit with DWR) Yes No | Directional, Deviated or Horizontal wellbore? | |
| Bottom Hole Location: RECEIVED Will Cores be taken? Yes No | | |
| Will Cores be taken? Yes No If Yes, proposed zone: Yes No | | |
| The undersigned hereby affirms marthe 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 appropriate district office prior to spudding of well; 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. 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 raises, NOTIFY district office prior to any cementing. I hereby certify that the statements made herein are true and to the sest of my knowledge and belief. Date: July 25, 2004 Signature of Operator or Agent: For KCC Use ONLY API # 15 - 2533 7 - 0000 Conductor pipe required NoNE feet per Alt. Approved by Conductor pipe required feet per Alt. Title: Agent Remember to: - File Drill Pit Application (form CDP-1) with Intent to Drill; - 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. | | |
| 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 easing 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 roller #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 office, NOTIFY district office prior to any cementing. I hereby certify that the statements made herein are true and to the test of my knowledge and belief. Date: July 25, 2004 Signature of Operator or Agent: For KCC Use ONLY API # 15 | | |
| 1. Notify the appropriate district office <i>prior</i> to spudding of well; 2. A copy of the approved notice of intent to drill <i>shall be</i> posted on each drilling rig; 3. The minimum amount of surface pipe as specified below <i>shall be set</i> by circulating cement to the top; in all cases surface pipe <i>shall be set</i> 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 <i>prior to plugging</i> ; 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 pases, NOTIFY district office prior to any cementing. I hereby certify that the statements made herein are true and to the pest of my knowledge and belief. Date: July 25, 2004 Signature of Operator or Agent: | KCC WICHITA AFFI | |
| 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 offses, NOTIFY district office prior to any cementing. I hereby certify that the statements made herein are true and to the vest of my knowledge and belief. Date: July 25, 2004 Signature of Operator or Agent: Minimum surface pipe required | It is agreed that the following minimum requirements will be met: | |
| For KCC Use ONLY API # 15 - 25337-0000 Conductor pipe required NonE feet Minimum surface pipe required 200 feet per Alt. 2 Approved by 27-28-04 This authorization expires: 1-28-04 (This authorization void if drilling not started within 6 months of effective date.) Spud date:Agent: | A copy of the approved notice of intent to drill shall be posted on each 3. The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the description of the set of the appropriate district office will be notified before well is either plug 6. If an ALTERNATE II COMPLETION, production pipe shall be cement Or pursuant to Appendix "B" - Eastern Kansas surface casing order must be completed within 30 days of the spud date or the well shall | the by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. Ilistrict office on plug length and placement is necessary prior to plugging ; aged or production casing is cemented in; led from below any usable water to surface within 120 days of spud date. #133,891-C, which applies to the KCC District 3 area, alternate II cementing be plugged. In all pases, NOTIFY district office prior to any cementing. |
| For KCC Use ONLY API # 15 - O5 - Z5337-0000 Conductor pipe required NoNE feet Minimum surface pipe required 200 feet per Alt. < 2 Approved by 17-28-04 This authorization expires: 1-28-04 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Agent: API 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: Signature of Operat | | $\sim 1 - M$ |
| API # 15 | | |
| This authorization expires: 1 - 28 - 04 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: | API # 15 - 051 - 25337-0000 Conductor pipe required NonE feet Minimum surface pipe required 200 feet per Alt. 2 | 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; |
| (This authorization expires: | 1 26 01/ | - If this permit has expired (See: authorized expiration date) please |
| Spud date: Agent: Signature of Operator or Agent: | | |
| opud date | This authorization void it driving not stated within o months of encouve date.) | Well Not Drilled - Permit Expired |
| | Spud date: Agent: | Signature of Operator or Agent: |
| | | Date: |

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 - | Location of Well: County: Ellis |
|---------------------------------------|--|
| Operator: HERTEL OIL COMPANY, LLC | 1850 feet from N / X S Line of Section |
| Lease: Dog Pound | 2310 feet from E / X w Line of Section |
| Well Number: 1-8 | Sec. 8 Twp. 14 S. R. 17W East X Wes |
| Field: Younger | |
| Number of Acres attributable to well: | ls Section: X Regular or Irregular |
| QTR / QTR / QTR of acreage: | If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW |

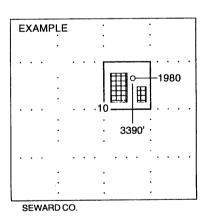
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

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RECEIVED
JUL 28 2004
KCC WICHITA



NOTE: In all cases locate the spot of the proposed drilling locaton.

Ellis Co., KS

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: (C0-7 for oil wells; CG-8 for gas wells).