

For KCC Use:  
 Effective Date: 7-18-04  
 District # 1  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date 07 month 18 day 04 year

Spot 110SW-NE-NE-SE Sec. 34 Twp. 22 S. R. 17  East  West

OPERATOR: License# 30420 ✓  
 Name: V.J.I. Natural Resources Inc.  
 Address: 30-38 48th St.  
 City/State/Zip: Astoria, New York 11103  
 Contact Person: Jason Dinges  
 Phone: 785-625-8360

2200 feet from (S) / N (circle one) Line of Section  
440 feet from (E) / W (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

CONTRACTOR: License# 33323 ✓  
 Name: Petromark

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

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

Lease Name: Frick Well #: 34-3  
 Field Name: Garfield

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Viola

Nearest Lease or unit boundary: 430 ? 440'

Ground Surface Elevation: 2062est 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: 40+ 180'

Depth to bottom of usable water: 600 440'

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 800

Length of Conductor Pipe required: none

Projected Total Depth: 4350

Formation at Total Depth: Viola

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: \_\_\_\_\_

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 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: 7-9-04 Signature of Operator or Agent: Jason Dinges Title: agent

For KCC Use ONLY	
API # 15 -	<u>145-21498-00-00</u>
Conductor pipe required	<u>NONE</u> feet
Minimum surface pipe required	<u>460'</u> feet per Alt. <input checked="" type="checkbox"/> X
Approved by:	<u>DPW 7-13-04</u>
This authorization expires:	<u>1-13-05</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.

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

34  
22  
17w

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: V.J.I. Natural Resources Inc.  
Lease: Frick  
Well Number: 34-3  
Field: Garfield  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: \_\_\_\_\_

Location of Well: County: Pawnee  
2200 feet from S / N (circle one) Line of Section  
440 feet from E / W (circle one) Line of Section  
Sec. 34 Twp. 22 S. R. 17  East  West

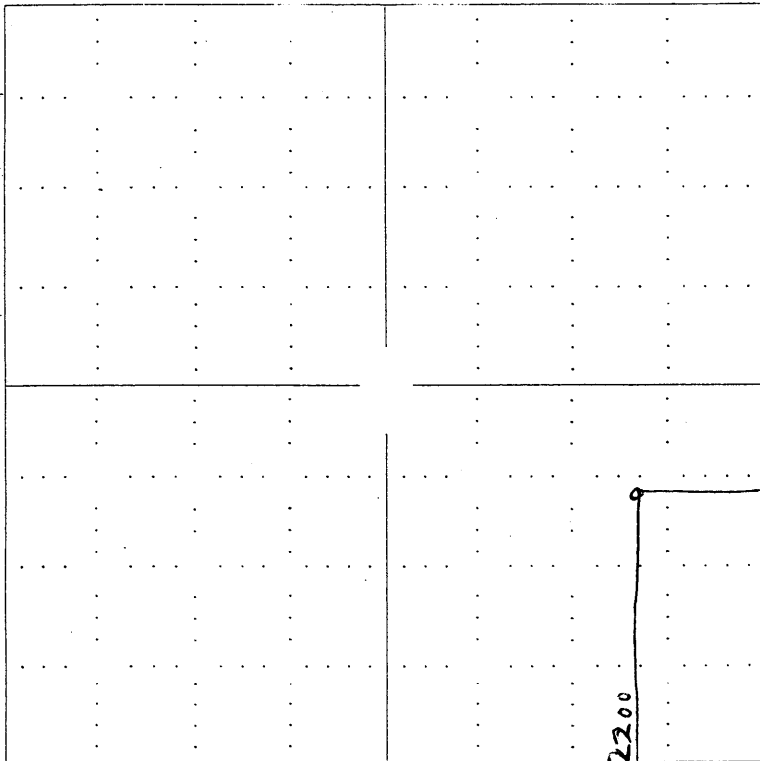
Is Section  Regular or \_\_\_\_\_ Irregular

If Section is Irregular, locate well from nearest corner boundary.  
Section corner used: \_\_\_NE \_\_\_NW SE \_\_\_SW

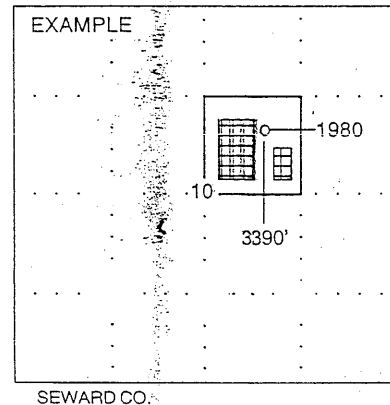
PLAT

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

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



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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  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, COMMISSIONER

July 13, 2004

Mr. Jason Dinges  
V.J.I. Natural Resources, Inc.  
30-38 48<sup>th</sup> St.  
Astoria, New York 11103

RE: Drilling Pit Application  
Frick Lease Well No. 34-3  
SE/4 Sec. 34-22S-17W  
Pawnee County, Kansas

Dear Mr. Dinges:

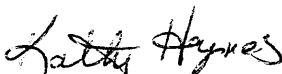
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and lined with bentonite. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon 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,



Kathy Haynes  
Environmental Protection and Remediation Department

cc: S Durrant