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JUL 08 2004

Form C-1
September 1999

For KCC Use: 7-13-04
Effective Date: 4
District # 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

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 08 01 04
month day year

Spot 140' N & 50' W East
C - S/2 - NE/4 Sec. 29 Twp. 15 S. R. 12 West
1840 feet from N (circle one) Line of Section
1370 feet from E (circle one) Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 5920 6130/05
Name: Te-Pe Oil & Gas
Address: P.O. Box 522
City/State/Zip: Canton, Kansas 67428
Contact Person: Terry P. Bandy
Phone: 620-628-4428

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

County: Russell
Lease Name: Steinle B Well #: 7
Field Name: Forrest Hills HALL - GURNEY

CONTRACTOR: License# 33350 1/30/05
Name: Southwind Drilling

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): LKC, Arbuckle

Well Drilled For: Well Class: Infield Type Equipment:
 Oil Enh Rec Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other

Nearest Lease or unit boundary: 520
Ground Surface Elevation: 1871 feet MSL

Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Depth to bottom of fresh water: 180 155
Depth to bottom of usable water: 265 380

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 830'

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Length of Conductor Pipe required: NONE
Projected Total Depth: 3350

Formation at Total Depth: Arbuckle
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. 55-101, 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: 7-7-04 Signature of Operator or Agent: Terry P. Bandy Title: Oper.

For KCC Use ONLY
API # 15 - 167-23262-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 400 feet per Alt. 1
Approved by: RJP 7-8-04
This authorization expires: 1-8-05
(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

29 15 12w

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: **Te-Pe Oil & Gas**
Lease: **Steinle B**
Well Number: **7**
Field: **Forrest Hills**

Location of Well: County: **Russell**
1840 feet from **S** **(N)** (circle one) Line of Section
1370 feet from **(E)** **W** (circle one) Line of Section
Sec. **29** Twp. **15** S. R. **12** East **X** West

Number of Acres attributable to well:
QTR / QTR / QTR of acreage:

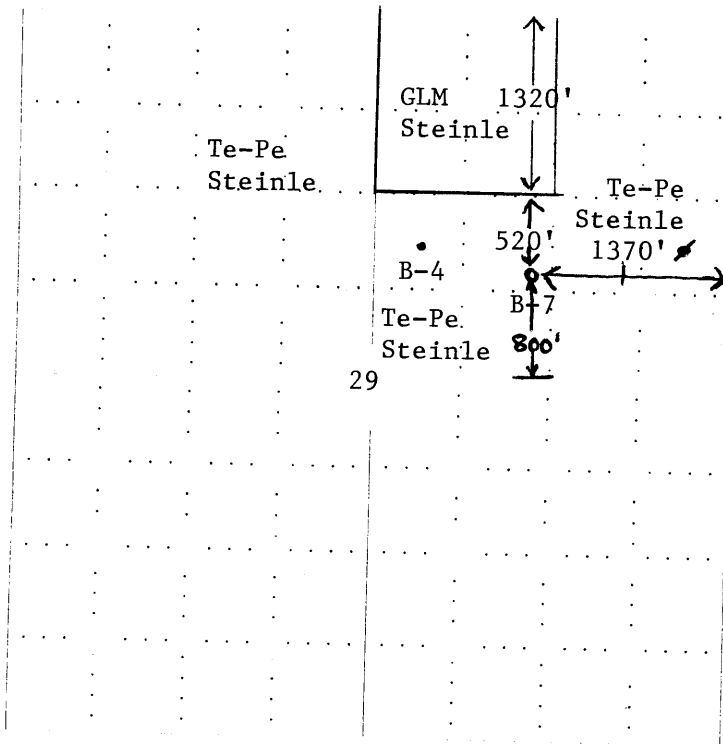
Is Section **X** Regular or Irregular

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

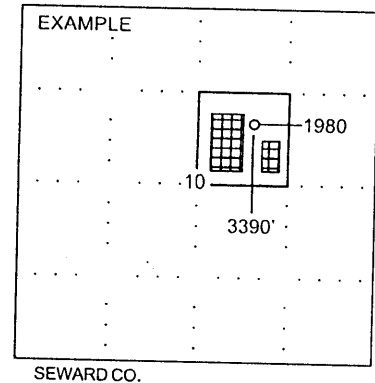
Section corner used: **NE** **NW** **SE** **SW**

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.)*



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