F rKCC Use: 9-20-04 Effective Date: 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

| Expected Spud Date9-15-04 | | Spot | X East |
|---|------------------------------------|---|-----------------------|
| | day year | SK2 SW SE Sec. 21 Twp. 1 s. | R West |
| OPERATOR: License# 32756 | 2. X 3. | 330feet from N / 🛂 | S Line of Section |
| Name: Double 7 Oil and Ga | S | 1980feet from / | V Line of Section |
| Address: 21003 Wallace RD. | | Is SECTION X Regular Irregular? | |
| City/State/Zip: Parsons Ks. 6735 | | (Note: Locate well on the Section Plat on reve | |
| Contact Person: Bruce Schulz | | | rse side) |
| Phone: 620-423-0951 | | County: Labette | Well #:1 |
| | 1 A. 4 | Lease Name: Jack Field Name: M&Cune East | vveii #: |
| CONTRACTOR: License# 32756 | · · · | Is this a Prorated / Spaced Field? | |
| Name: company tools | **** | Target Information(s): Bartlesville | Yes X No |
| | | Nearest Lease or unit boundary: 330 | |
| Well Drilled For: Well Class: | Type Equipment: | Ground Surface Elevation: N/A | |
| Oil Enh Rec 🔀 Infield | Mud Rotary | Water well within one-quarter mile: | |
| Gas Storage Pool Ext. | X Air Rotary | Public water supply well within one mile: | Yes 140 |
| OWWO Disposal Wildcat | Cable | Depth to bottom of fresh water: 200+ | Yes 🛶 🕇 o |
| Seismic; # of Holes Other | _ | | |
| Other | | Depth to bottom of usable water: 300+ | YEAR. |
| | | Surface Pipe by Alternate: 1 x 2 | |
| If OWWO: old well information as follows: | | Length of Surface Pipe Planned to be set: 20 | 1,- |
| Operator: | | Length of Conductor Pipe required: | 15 |
| Well Name: | | Projected Total Depth: 88% 250, | |
| Original Completion Date:Origi | nal Total Depth: | Formation at Total Depth: Bartlesville | |
| Directional, Deviated or Horizontal wellbore? | Yes X No | Water Source for Drilling Operations: | |
| | | Well Farm Pond Other | |
| If Yes, true vertical depth: | | DWR Permit #: | |
| Bottom Hole Location: | | (Note: Apply for Permit with DWR |) |
| KCC DKT #: | | Will Cores be taken? | Yes No |
| | | If Yes, proposed zone: | |
| | AFF | IDAVIT | RECEIVED |
| The undersigned hereby affirms that the drilling | , completion and eventual p | lugging of this well will comply with K.S.A. 55 et. seq. | |
| It is agreed that the following minimum requirer | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | SEP 1 3 2004 |
| 1. Notify the appropriate district office <i>prior</i> | | | KO- |
| 2. A copy of the approved notice of intent to | drill shall be posted on ea | ch drilling rig: | KCC WICHITA |
| The minimum amount of surface pipe as | specified below shall be se | er by circulating cement to the top; in all cases surface pi | pe shall be set |
| through all unconsolidated materials plus | a minimum of 20 feet into to | he underlying formation. | |
| 4. If the well is dry hole, an agreement bets | ween the operator and the o | district office on plug length and placement is necessary | prior to plugging; |
| 5. The appropriate district office will be notif | ied before well is either plug | gged or production casing is cemented in; | |
| Or pursuant to Appendix "B" - Fastern K | ansas surface casing order | ted from below any usable water to surface within 120 da #133,891-C, which applies to the KCC District 3 area, a | ys of spud date. |
| must be completed within 30 days of the | spud date or the well shall | be plugged. In all cases, NOTIFY district office prior t | iternate II cementing |
| I hereby certify that the statements made herei | | | Jany Cementing. |
| - de statements made herei | | | |
| Date: 9-9-04 Signature of Ope | rator or Agent: | a Sepul Title: own | |
| | alor of rigonic | Time | : / |
| | | Remember to: | |
| For KCC Use ONLY 99- 23629 | 2 00 6 | File Drill Pit Application (form CDP-1) with Intent to Dr | ill; |
| API # 15 - U 1 1 - 23 62 | 1.00.00 | - File Completion Form ACO-1 within 120 days of spuc | |
| Conductor pipe required NONE | feet | - File acreage attribution plat according to field proration | on orders; |
| Minimum surface pipe required 20 | | - Notify appropriate district office 48 hours prior to work | over or re-entry; |
| 363 17 54 | feet per Alt. 🕈 📵 | Submit plugging report (CP-4) after plugging is comp Obtain written approval before disposing or injecting | 1 . |
| Approved by: 15.04 | | | 10 |
| This authorization expires 3.15-05 | | - If this permit has expired (See: authorized expiration of the box below and return to the address between | tate) please |
| (This authorization void if drilling not started within | 6 months of effective date.) | check the box below and return to the address below | ı. |
| Could date: | | Well Not Drilled - Permit Expired | \mathcal{U}_{L} |
| Spud date:Agent: | | Signature of Operator or Agent: | |
| | | Date: | ———— ha |
| Mail to: KCC - C | onservation Division, 130 | S. Market - Room 2078, Wichita, Kansas 67202 | , ,,, |

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.

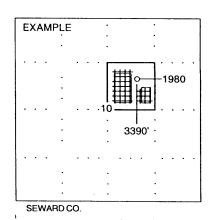
| API No. 15 | Location of Well: County: | |
|---------------------------------------|---|--|
| Operator: | | |
| Lease: | | |
| Well Number: | Sec Twp S. R East West | |
| Field: | _ | |
| Number of Acres attributable to well: | Is Section: Regular or Irregular | |
| QTR / QTR / QTR of acreage: | If Section is Irregular, locate well from nearest corner boundary. Section comer 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).



CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR BRIAN J. MOLINE, CHAIR ROBERT E. KREHBIEL, COMMISSIONER MICHAEL C. MOFFET, COMMISSIONER

September 15, 2004

Mr. Bruce Schulz Double 7 Oil & Gas 21003 Wallace Rd Parsons, KS 67357

RE: Drilling Pit Application

Jack Lease Well No. 1 SE/4 Sec. 21-31S-21E Labette County, Kansas

Dear Mr. Schulz:

District staff has reinspected the above referenced location and has determined that a reserve pit shall be constructed <u>without slots</u>, the bottom shall be flat and reasonably level, the pit should be no deeper than 3'-4' deep. The fluids are to be removed from the reserve pit 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) 432-2300 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 Korf