

FIRST
CORRECTED

For KCC Use: 9-22-04
Effective Date: 4
District # _____
SGA? Yes No

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

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

Expected Spud Date November 1, 2004
month day year

Spot East
E2 W2 NE Sec. 23 Twp. 9 S. R. 21 West
1320 feet from N / S Line of Section
1650 feet from E / W Line of Section

X OPERATOR: License# 5364 5363 6/30/05 **PER Forest Burton BEREXCO 10-27-04**
Name: BEREN CORPORATION BEREXCO, Inc.
Address: P. O. Box 20380
City/State/Zip: Wichita, KS 67208
Contact Person: Bruce Meyer
Phone: (316) 265-3311

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 30606 12/31/04
Name: Murfin Drilling, Inc.

County: Graham
Lease Name: Balthazor "A" Well #: 2
Field Name: Morel

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

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary: 990

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

Ground Surface Elevation: 2270 feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

Directional, Deviated or Horizontal wellbore? Yes No

Depth to bottom of fresh water: 150'
Depth to bottom of usable water: 1000'
Surface Pipe by Alternate: 1 2

If Yes, true vertical depth: _____

Length of Surface Pipe Planned to be set: 225'
Length of Conductor Pipe required: NONE
Projected Total Depth: 3900

Bottom Hole Location: _____

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
 Well Farm Pond Other _____

KCC DKT #: _____

DWR Permit #: _____
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No

X FILED 9-17-04 AS BEREN CORP 5364
IS: BEREXCO, INC # 5363

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.
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 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 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: September 16, 2004 Signature of Operator or Agent: Forest Burton Title: Engineer Technician

For KCC Use ONLY
API # 15 - 065-23008-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. **(2)**
Approved by: RJP 9-17-04 / RSP 10-27-04
This authorization expires: 3-17-05
(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.
- 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: _____
Date: _____

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

23
9
2
1
0