

For KCC Use:

5-23-04

Effective Date:

District #

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

PERMIT Extension

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

Expected Spud Date

month day year

Spot

OPERATOR: License# 6142

Name: Town Oil Co. Inc.

Address: 16205 West 287th St.

City/State/Zip: Paola, Kansas 66071

Contact Person: Lester Town

Phone: 913-294-2125

CONTRACTOR: License# Company Tools

Name:

Sec. 1 Twp. 18 S. R. 21 East West

1155 feet from N / S Line of Section

1485 feet from E / W Line of Section

Is SECTION Regular Irregular?

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

County: Miami

Lease Name: O'Brien

Well #: 5-04

Field Name: Paola-Rantoul

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Bartlesville

Nearest Lease or unit boundary: 495

Ground Surface Elevation: _____ feet MSL Yes No

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 40 / 100+

Depth to bottom of usable water: 200+

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 20

Length of Conductor Pipe required: None

Projected Total Depth: 600

Formation at Total Depth: Bartlesville

Water Source for Drilling Operations: Well Farm Pond Other X

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

RECEIVED
KANSAS CORPORATION COMMISSION

Well Drilled For:

Well Class:

Type Equipment:

Oil
 Gas
 OWWO
 Seismic: # of Holes
 Other

Enh Rec
 Storage
 Disposal

Infield
 Pool Ext.
 Wildcat
 Other

Mud Rotary
 Air Rotary
 Cable

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 #: _____

Permit Extension -

Request Received 11-08-04

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. sec. MAY 17 2004

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. 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: 5-14-04 Signature of Operator or Agent: Roberta Town

Title: Agent

For KCC Use ONLY

API # 15 - 121-27938-0000

Conductor pipe required NONE feet

Minimum surface pipe required 20 feet per Alt. 4 2

Approved by: RJP 5-18-04 / RJP 11-9-04

This authorization expires: 11-18-04 / 5-18-05
(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

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2/E