

For KCC Use: 5-23-04
 Effective Date: 3
 District # _____
 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

Permit Extension

Expected Spud Date _____
 month _____ day _____ year _____
 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

Spot Ap NW NW SW SE Sec. 1 Twp. 18 S. R. 21 East West
1155 feet from N / S Line of Section
2475 feet from E / W Line of Section
 Is SECTION Regular Irregular?

CONTRACTOR: License# _____ Company Tools
 Name: _____

(Note: Locate well on the Section Plat on reverse side)
 County: Miami
 Lease Name: O'Brien Well #: 8-04
 Field Name: Paola-Rantoul

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

Is this a Prorated / Spaced Field? Yes No
 Target Information(s): Bartlesville
 Nearest Lease or unit boundary: 165
 Ground Surface Elevation: _____ feet MSL

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

Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: 100+
 Depth to bottom of usable water: 200+

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____

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

Bottom Hole Location: _____
 KCC DKT #: _____

Water Source for Drilling Operations: Well Farm Pond Other
 DWR Permit #: _____

Permit Extension
 Request received 11-8-2004

(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 et. seq.
 It is agreed that the following minimum requirements will be met:

RECEIVED
 KANSAS CORPORATION COMMISSION
 MAY 17 2004
 CONSERVATION DIVISION
 WICHITA, KS

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 - 121-27940-0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 20 feet per All. *(2)
 Approved by RJP 5-18-04 / RFP 11-9-2004
 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