

For KCC Use: 11-9-04  
Effective Date: 11-9-04  
District # 2  
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 10-28-04  
month day year

OPERATOR: License# 31160  
Name: Phillips Exploration Company, LC  
Address: 4109 N Ironwood  
City/State/Zip: Wichita KS 67226  
Contact Person: James B. Phillips  
Phone: 316-636-2256

CONTRACTOR: License# 5892  
Name: Berentz Drilling Company, Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OMWO	<input type="checkbox"/> Storage	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Disposal	<input type="checkbox"/> Other
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

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 #: \_\_\_\_\_

Spot C - W/2 - SE Sec. 18 Twp. 26 S. R. 8  East  West

1320 feet from  N /  S Line of Section  
1980 feet from  E /  W Line of Section

Is SECTION  Regular  Irregular?

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

County: Reno

Lease Name: Keller Well #: 3-18

Field Name: Lerado

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Viola

Nearest Lease or unit boundary: 660'

Ground Surface Elevation: 1626 feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: 150

Depth to bottom of usable water: 180

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 250

Length of Conductor Pipe required: None

Projected Total Depth: 4200

Formation at Total Depth: Viola

Water Source for Drilling Operations:

Well  Farm Pond Other Goose Creek

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

**AFFIDAVIT**

KANSAS CORPORATION COMMISSION

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

OCT 21 2004

It is agreed that the following minimum requirements will be met:

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: 10-21-04 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY
API # 15 - <u>155 - 24480.00.00</u>
Conductor pipe required <u>NONE</u> feet
Minimum surface pipe required <u>200</u> feet per Alt. <u>1</u>
Approved by: <u>RJP 11-4-04</u>
This authorization expires: <u>5-4-05</u>
(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

18 26 8 3

**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: Phillips Exploration Company, LC  
 Lease: Keller  
 Well Number: 3-18  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - W/2 - SE

Location of Well: County: Reno  
 \_\_\_\_\_ feet from  N /  S Line of Section  
1320  
 \_\_\_\_\_ feet from  E /  W Line of Section  
1980  
 Sec. 18 Twp. 26 S. R. 8  East  West

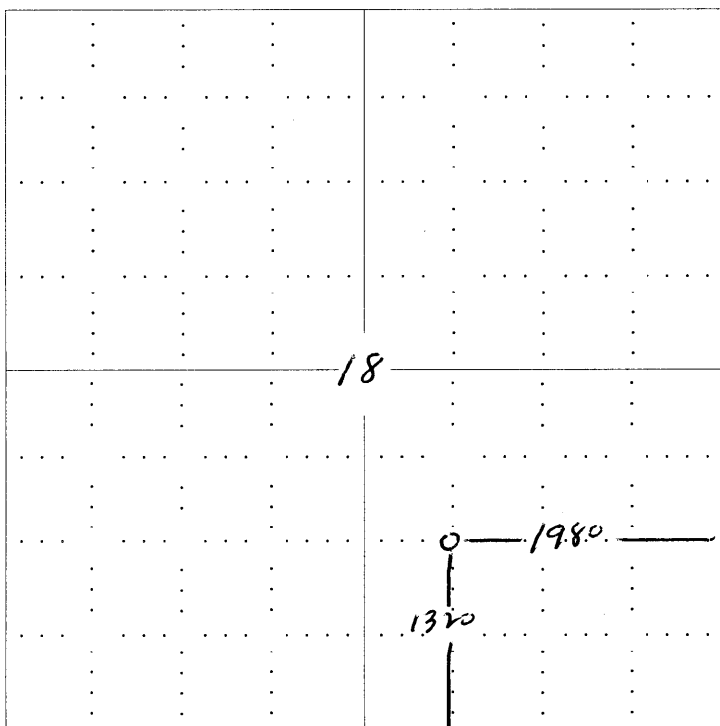
Is Section:  Regular or  Irregular

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

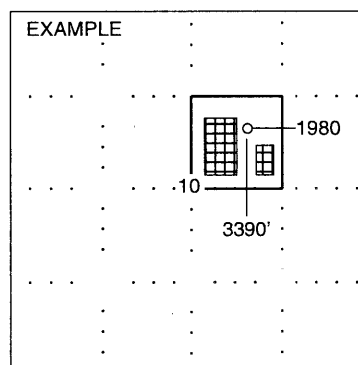
Section corner used:  NE  NW  SE  SW

**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.)*



**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**OCT 21 2004**  
 CONSERVATION DIVISION  
 WICHITA, KS



SEWARD CO.

**NOTE: In all cases locate the spot of the proposed drilling location.**

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

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

November 4, 2004

Mr. James B. Phillips  
Phillips Exploration Company, LC  
4109 N Ironwood  
Wichita, KS 67226

Re: Drilling Pit Application  
Keller Lease Well No. 3-18  
SE/4 Sec. 18-26S-08W  
Reno County, Kansas

Dear Mr. Phillips:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

**Should a haul-off pit be necessary, please complete the enclosed CDP-1.** This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,



Kathy Haynes

Environmental Protection and Remediation Department

Cc: D Louis