

For KCC Use: 12.28.04  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

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

**NOTICE OF INTENT TO DRILL**

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

Expected Spud Date January 17 2005  
 month day year

Spot 110' N & 55' E of  East  
C - NE - SW Sec. 22 Twp. 22 S. R. 33  West  
2090 feet from  N /  S Line of Section  
2035 feet from  E /  W Line of Section

OPERATOR: License# 30742  
 Name: Palomino Petroleum, Inc.  
 Address: 4924 SE 84th St.  
 City/State/Zip: Newton, Kansas 67114-8827  
 Contact Person: Klee R. Watchous  
 Phone: (316) 799-1000

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

CONTRACTOR: License# 33350  
 Name: Southwind Drilling, Inc.

County: Finney  
 Lease Name: Clark "A" Well #: 4  
 Field Name: Damme

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes _____	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____	

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): LKC, Miss.  
 Nearest Lease or unit boundary: 550

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

Ground Surface Elevation: 2870 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  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Depth to bottom of fresh water: ~~200~~ 220  
 Depth to bottom of usable water: 1100  
 Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: ~~200~~ 240' Min  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 4800

Formation at Total Depth: Mississippian  
 Water Source for Drilling Operations:  
 Well  Farm Pond Other \_\_\_\_\_

DWR Permit #: \_\_\_\_\_  
 (Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

*\*Prorated & Spaced  
 Hugoton/Panoma*

**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 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: December 22, 2004 Signature of Operator or Agent: Klee R. Watchous Title: President

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**DEC 23 2004**  
**KCC WICHITA**

**For KCC Use ONLY**  
 API # 15 - 055-21858.00.00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 240 feet per Alt. *★②*  
 Approved by RJP 12.23.04  
 This authorization expires: 6-23-05  
 (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: \_\_\_\_\_

*22  
 22  
 33W*

### 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: Palomino Petroleum, Inc. \_\_\_\_\_  
Lease: Clark "A" \_\_\_\_\_  
Well Number: 4 \_\_\_\_\_  
Field: Damme \_\_\_\_\_

Location of Well: County: Finney \_\_\_\_\_  
2090 \_\_\_\_\_ feet from  N /  S Line of Section  
2035 \_\_\_\_\_ feet from  E /  W Line of Section  
Sec. 22 Twp. 22 S. R. 33  East  West

Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: C - NE - SW  
110' N & 55' E of

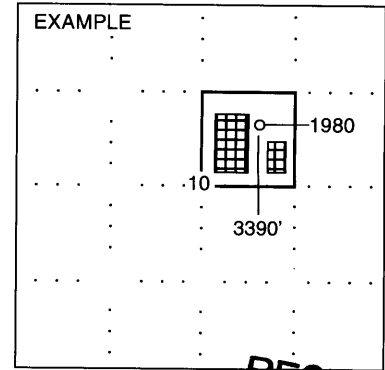
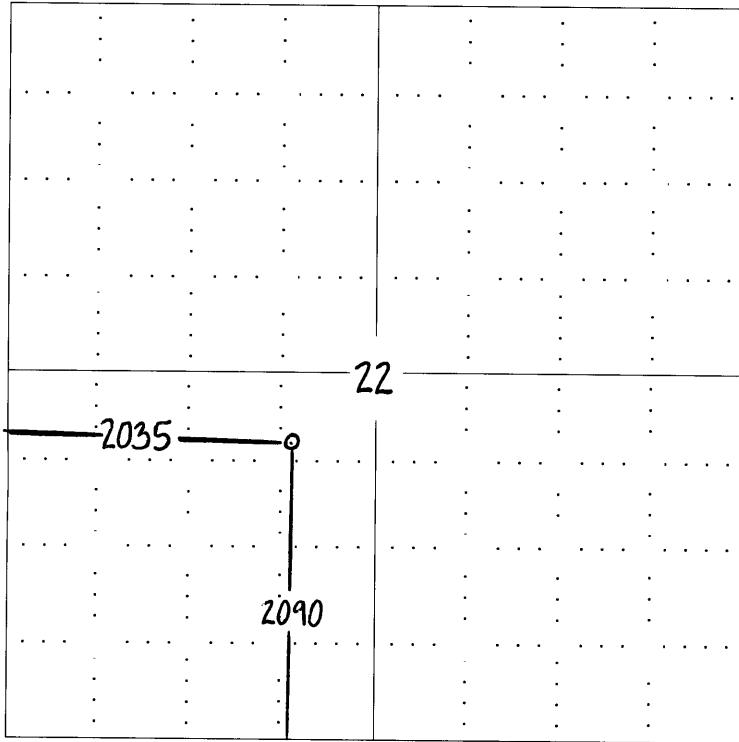
Is Section:  Regular or  Irregular

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.)



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

RECEIVED  
DEC 23 2004  
KCC WICHITA

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).