

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 26 2005
CONSERVATION DIVISION
WICHITA, KS

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

B.O.P. REQUIRED
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

AP 90' N & 40' W of

For KCC Use: 2-1-2005
Effective Date: 4
District # _____
SGA? Yes No

Expected Spud Date January 31, 2005
month day year

OPERATOR: License# 30076 (4-30-2005)
Name: Andy Anderson dba A & A Production
Address: Box 100
City/State/Zip: Hill City, KS 67642
Contact Person: Andy Anderson
Phone: (785) 421-2234

CONTRACTOR: License# 33237 (5-30-05)
Name: Anderson Drilling

Spnt
Ap C. SE NW Sec. 12 Twp. 8 S. R. 21 East West
1890 feet from N / S Line of Section
1940 feet from E / W Line of Section

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

County: Graham
Lease Name: Bethell Well #: 12-1
Field Name: wildcat

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Kansas City
Nearest Lease or unit boundary: 1890'

Ground Surface Elevation: 1972 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: 4000' 800' EST Anhydrite 1560'

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor Pipe required: NONE

Projected Total Depth: 3,800'
Formation at Total Depth: Kansas City
Water Source for Drilling Operations: Well Farm Pond Other

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

Yes, proposed zone: _____
ALT. II CEMENTING MUST BE PERFORMED WHEN PRODUCTION PIPE IS SET.

- | | | |
|--|---|--|
| 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 checked="" type="checkbox"/> Wildcat |
| <input type="checkbox"/> Seismic; # of Holes | <input checked="" type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Other | <input type="checkbox"/> Other | |

* AREA HAS SHALLOW FLOWS BLOW-OUT PREVENTOR REQUIRED

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 #: _____

- NOTE: SEE GRAHAM CO. TABLE I, KCC RULES 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: ** BOP IS REQUIRED

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: January 26, 2005 Signature of Operator or Agent: Donna Thanda Title: Agent

For KCC Use ONLY

API # 15 - 065-23033-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. + ②

Approved by: RJP 1-27-2005

This authorization expires: 7-27-2005
(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

12
8
21W

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: Andy Anderson dba A & A Production
 Lease: Bethell
 Well Number: 12-1
 Field: wildcat
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: ApSE - NW - SE

Location of Well: County: Graham
 1890 _____ feet from N / S Line of Section
 1940 _____ feet from E / W Line of Section
 Sec. 12 Twp. 8 S. R. 21 East West

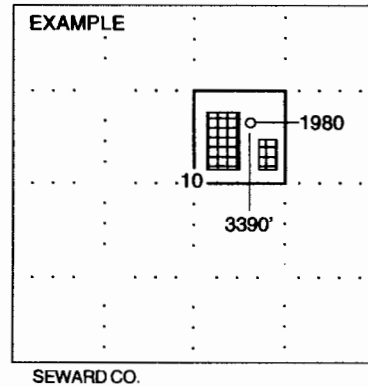
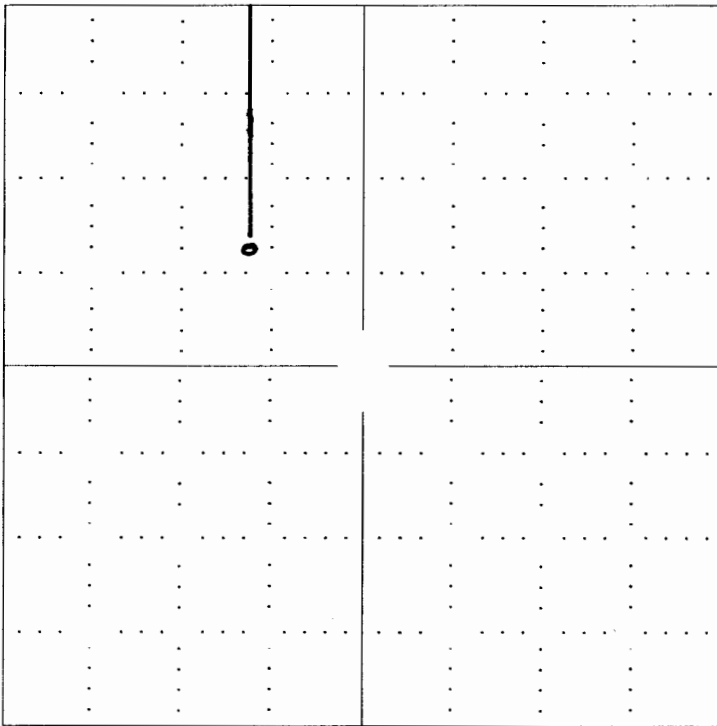
Is Section: Regular or Irregular

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.)*



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

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

January 26, 2005

Mr. Andy Anderson
A & A Production
Box 100
Hill City, KS 67642

RE: Drilling Pit Application
Bethell Lease Well No. 12-1
NW/4 Sec. 12-08S-21W
Graham County, Kansas

Dear Mr. Anderson:


District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. **Please keep all pits away from any draws.**

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathy Haynes
Environmental Protection and Remediation Department

cc: H Deines