

For KCC Use:  
 Effective Date: 8-8-2001  
 District #: 4  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 September 1999  
 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 8 10 01  
month day year 150' E of Spot

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

CONTRACTOR: License# 30076  
 Name: A & A Production

Spot  East  West  
 of S/2 - S/2 - SW Sec. 31 Twp. 5 S. R. 36  
330 feet from (S) N (circle one) Line of Section  
1470 feet from E (W) (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

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

County: Rawlins  
 Lease Name: Tovrea Well #: 2  
 Field Name: Tovrea

Is this a Prorated / Spaced Field?  Yes  No

Target Information(s): Miss.  
 Nearest Lease or unit boundary: 330

Ground Surface Elevation: 3423 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: 300

Depth to bottom of usable water: 350

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 400+

Length of Conductor Pipe required: None

Projected Total Depth: 4950

Producing Formation Target: Miss.

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: \_\_\_\_\_

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

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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. **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: 8/2/01 Signature of Operator or Agent: Klee R. Watchous Title: President

KANSAS CORPORATION COMMISSION  
8-3-2001  
 AUG 03 2001  
 CONSERVATION DIVISION

**For KCC Use ONLY**

API # 15 - 153-20821-0000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 400 feet per Alt. (1)   
 Approved by: JK 8-3-2001  
 This authorization expires: 2-3-2002  
 (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.

31  
5  
36W

**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: \_\_\_\_\_  
 Lease: \_\_\_\_\_  
 Well Number: \_\_\_\_\_  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: \_\_\_\_\_  
 \_\_\_\_\_ feet from S / N (circle one) Line of Section  
 \_\_\_\_\_ feet from E / W (circle one) Line of Section  
 Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West

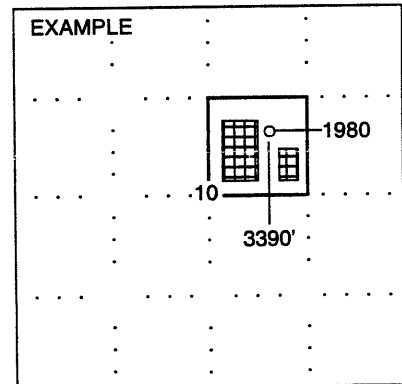
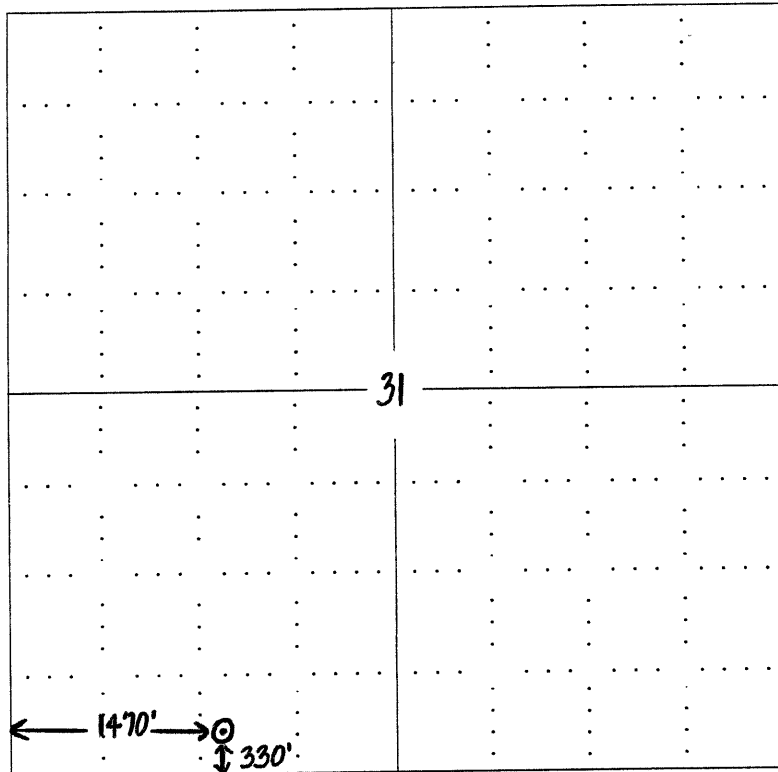
Is Section \_\_\_\_\_ Regular or \_\_\_\_\_ Irregular

**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.)*



SEWARD CO.

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

**RAWLINS CO.**

**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).