

For KCC Use: 7.26.05
Effective Date: _____
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OWWO

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 the K.C.C. five (5) days prior to commencing well

Expected Spud Date 7 28 05
month day year

Spot East
S/2 - SW - SE Sec. 9 Twp. 32 S. R. 15 West
330 feet from N / S Line of Section
1980 feet from E / W Line of Section

OPERATOR: License # 3842
Name: LARSON OPERATING COMPANY
A DIVISION OF LARSON ENGINEERING, INC.
Address: 562 WEST HIGHWAY 4
City/State/Zip: OLMITZ, KS 67564-8561
Contact Person: TOM LARSON
Phone: (620) 653-7368

Is SECTION X Regular _____ Irregular?
(Note: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License # 5929
Name: DUKE DRILLING CO., INC

County: BARBER
Lease Name: MARSH B Well #: 1 OWWO

Field Name: PERRY RANCH
Is this a Prorated / Spaced Field? Yes No

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

Target Formation(s): MISSISSIPPI
Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 1951 EST 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

If OWWO: old well information as follows:
Operator: BOWERS DRILLING CO
Well Name: MARSH #1
Original Completion Date: 6-11-64 Original Total Depth: 4900'

Length of Surface Pipe Planned to be set: 250' ALREADY SET
Length of Conductor pipe required: NONE

Projected Total Depth: 4950'
Formation at Total Depth: MISSISSIPPI

Directional, Deviated or Horizontal wellbore? Yes No
If yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT#: _____

Water Source for Drilling Operations:
 Well Farm Pond Other WATER HAULER

DWR Permit #: _____
(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. 55-101, 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 a 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 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: 07/07/2005 Signature of Operator or Agent: Thomas Larson Title: PRESIDENT

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: _____

For KCC use ONLY

API # 15 - 007-19028-00-01

Conductor pipe required NONE feet

Minimum surface pipe required 249- feet per Alt. (1) 2

Approved by: RJR 7-21-05

This authorization expires: 1-21-06

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

Mail to: KCC - Conservation Division 130 S. Market - Room 2078, Wichita, Kansas 67202

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JUL 11 2005
KCC WICHITA

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 - _____
 LARSON OPERATING COMPANY
 Operator: A DIVISION OF LARSON ENGINEERING, INC.
 Lease: MARSH B
 Well Number: 1 OWWO
 Field: PERRY RANCH

Location of Well: County: BARBER

 330 feet from N / S Line of Section
 1980 feet from E / W Line of Section
 Sec. 9 Twp. 32 S. R. 15 East West

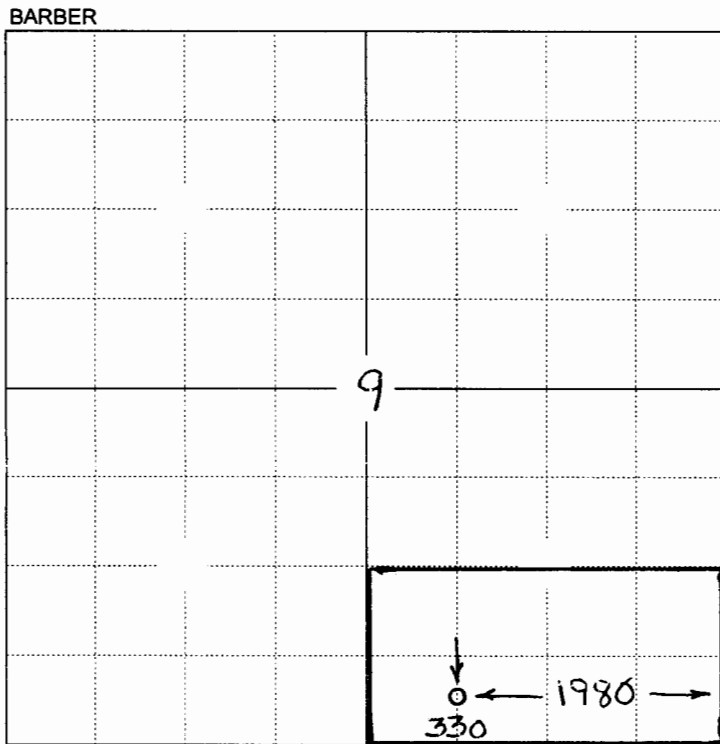
Is Section: Regular or Irregular

Number of Acres attributable to well: 80
 QTR / QTR / QTR of acreage: _____ - S/2 - SE/4

If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

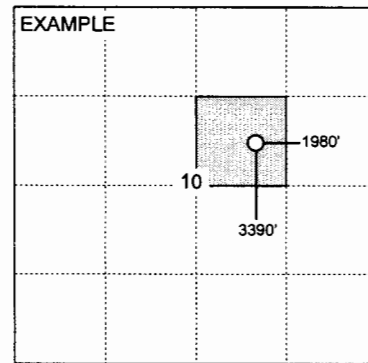
PLAT

*(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.

RECEIVED
 JUL 11 2005
 KCC WICHITA



SEWARD 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).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

July 21, 2005

Mr. Tom Larson
Larson Operating Company
562 West Highway 4
Olmitz, KS 67564-8561

Re: Drilling Pit Application
Marsh B Lease Well No. 1 OWWO
SE/4 Sec. 09-32S-15W
Barber County, Kansas

Dear Mr. Larson:

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. If a haul-off pit is necessary please file form CDP-1, Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. Please file form CDP-5, Exploration and Production Waster Transfer, within 30 days of fluid removal.

Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

Sincerely,



Kathy Haynes
Environmental Protection and Remediation Department

Cc: S Durrant