

For KCC Use:

Effective Date:

District #

SGA? ☒ Yes ☐ No

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

NOTICE OF INTENT TO DRILL

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

Gas Storage Area -

Blowout Preventer Required

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date 9/29/05

OPERATOR: License# 3880

Name: KC Resources Inc.

Address: PO Box 6749

City/State/Zip: Snowmass Village CO 81615

Contact Person: Jack Luthi

Phone: 620-770-2375

CONTRACTOR: License# 5893

Name: Pratt Well Service, Inc

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

If OWWO: old well information as follows:

Operator: Skelly Oil Co (operator now KC Resources)

Well Name: East Maxedon #2

Original Completion Date: 1936 Original Total Depth: 3453'

Directional, Deviated or Horizontal wellbore? ☐ Yes ☒ No

If Yes, true vertical depth: RECEIVED

Bottom Hole Location: KANSAS CORPORATION COMMISSION

KCC DKT #:

SEP 23 2005

Spot W12 NW4 - SE4 Sec. 25 Twp. 27 S. R. 11
1980 feet from ☐ N / ☒ S Line of Section
2310 feet from ☒ E / ☐ W Line of Section
Is SECTION ☒ Regular ☐ Irregular?

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

County: Pratt

Lease Name: Cunningham "B" Unit

Well #: 32

Field Name: Cunningham

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): Lansing Kansas City

Nearest Lease or unit boundary: Cunningham "B" Unit

Ground Surface Elevation: 1672 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: 70' 180

Depth to bottom of usable water: 180' 200

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 314' set in 1936

Length of Conductor Pipe required: NONE

Projected Total Depth: 3750'

Formation at Total Depth: Lansing Kansas City

Water Source for Drilling Operations:

☐ Well ☐ Farm Pond Other Hauled

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

Will Cores be taken? ☐ Yes ☒ No

If Yes, proposed zone:

CONSERVATION DIVISION

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: 9-22-05 Signature of Operator or Agent: Joseph L. M. [Signature] Title: Operations Manager

For KCC Use ONLY

API # 15 - 151-10105-00-02

Conductor pipe required NONE feet

Minimum surface pipe required 314' feet per Alt. 1

Approved by: RJP 9-26-05

This authorization expires: 3-26-05

(This authorization void if drilling not started within 6 months of approval 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

**Gas Storage Area -
Blowout Preventer Required**

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 - 151-90143
 Operator: KC Resources Inc.
 Lease: Cunningham "B" Unit
 Well Number: 32
 Field: Cunningham

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - NW4 - SE4

Location of Well: County: Pratt
 1980 feet from ☐ N / ☒ S Line of Section
 2310 feet from ☒ E / ☐ W Line of Section
 Sec. 25 Twp. 27 S. R. 11 ☐ East ☒ West

Is Section: ☒ Regular or ☐ Irregular

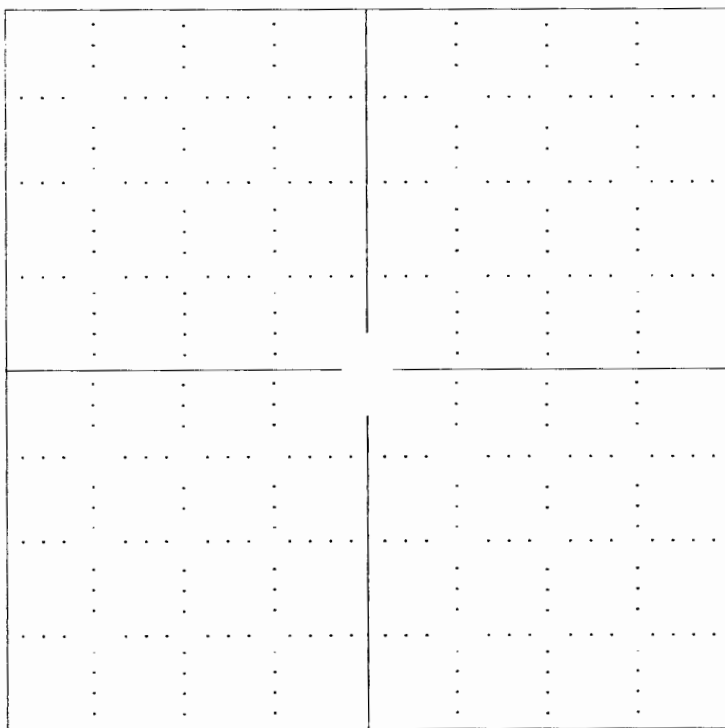
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: ☐ NE ☐ NW ☐ SE ☐ SW

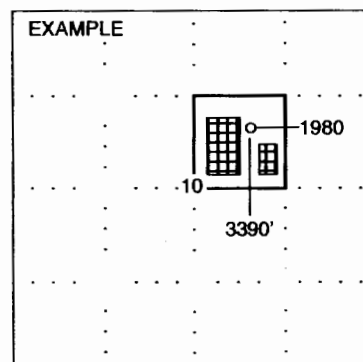
PLAT

(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
 SEP 20 2005
 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

September 23, 2005

Mr. Jack Luthi
KC Resources, Inc.
PO Box 6749
Snowmass Village, CO 81615

Re: Drilling Pit Application
Cunningham B Unit Lease Well No. 32
SE/4 Sec. 25-27S-11W
Pratt County, Kansas

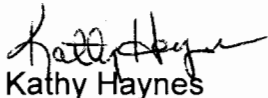
Dear Mr. Luthi:

This office has been informed that steel pits are to be used at the above referenced location. 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 Waste 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

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802

Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us