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OCT 12 2005

Form C-1  
December 2002

For KCC Use: 10-17-05  
Effective Date: \_\_\_\_\_  
District # 1  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

KCC WICHITA

Form must be Typed  
Form must be Signed  
All blanks must be Filled

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

Expected Spud Date November 10 2005  
month day year

Spot APP  
NE SW NW Sec. 2 Twp. 16 S. R. 23  East  West

OPERATOR: License# 9855  
Name: Grand Mesa Operating Company  
Address: 200 E. First St., Ste 307  
City/State/Zip: Wichita, KS 67202  
Contact Person: Ronald N. Sinclair  
Phone: 316-265-3000

1450 feet from  N /  S Line of Section  
1255 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

CONTRACTOR: License# 30606  
Name: Murfin Drilling Co., Inc.

(Note: Locate well on the Section Plat on reverse side)  
County: Ness  
Lease Name: Scott Well #: 1-2  
Field Name: Wildcat

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

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Cherokee Sand  
Nearest Lease or unit boundary: 1255'

Ground Surface Elevation: 2329 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: 180'  
Depth to bottom of usable water: 1000'  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 200'  
Length of Conductor Pipe required: None  
Projected Total Depth: 4370'

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

Formation at Total Depth: Mississippian  
Water Source for Drilling Operations:  
 Well  Farm Pond  Other Haul from Ransom  
DWR Permit #: \_\_\_\_\_

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

(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 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: October 10, 2005 Signature of Operator or Agent: [Signature] 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 - 135 24406 0000  
Conductor pipe required NONE feet  
Minimum surface pipe required 200 feet per Alt. (2)  
Approved by: RSP 10-12-05  
This authorization expires: 4-12-06  
(This authorization void if drilling not started within 6 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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

2-16-254

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**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: Grand Mesa Operating Company  
Lease: Scott  
Well Number: 1-2  
Field: Wildcat

Location of Well: County: Ness  
1450 feet from  N /  S Line of Section  
1255 feet from  E /  W Line of Section  
Sec. 2 Twp. 16 S. R. 23  East  West

Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: NE - SW - NW

Is Section:  Regular or  Irregular

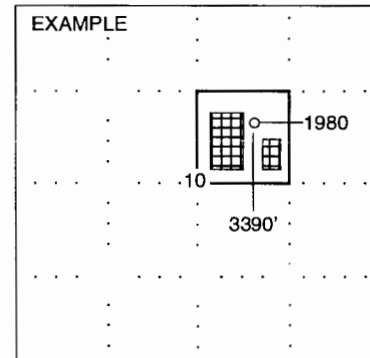
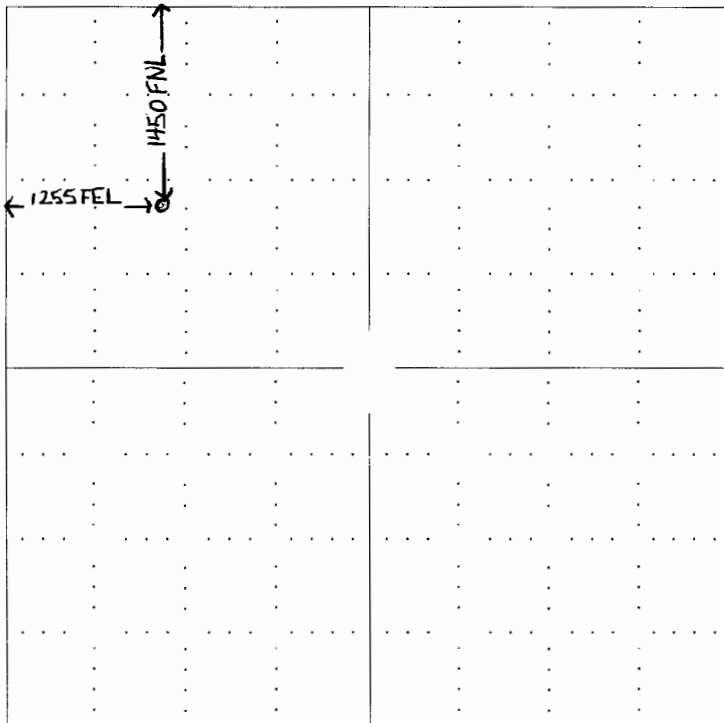
**If Section is Irregular, locate well from nearest corner boundary.**

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.**

**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).