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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

December 2002 Form must be Typed Form must be Signed All blanks must be Filled

Spot	Must be approved by KCC five	(5) days prior to commencing well	
OPERATOR: Licenses 39825 Name, Hertel Oil Company Address 704 E. 12th Street Address 704 E. 12th Street Cortact Peach Reputar Phone, 1939 12th Street Cortact Peach Reputar Cortact Peach Reputar Phone, 1939 12th Street	Expected Spud Date November 13,2005		
Address: Total E. 12th Street Total Depth: To	month day you	<u> </u>	
Name Herital Oil Company Address. 70 Hz. 12h Street (InlyStateA): p. Hsys. KS 67001 (Contract Person. Mike Heritel Phone: (785) 628-2445 CONTRACTOR: Leenese 33237 Name. Andresson Drilling Well Orlited For: Well Class: Type Equipment: Oil	OPERATOR: License# 33625		
Address. Miles Fetrel Contact Person. Person. Person. Person. Person. Person. Person.	Name: Hertel Oil Company	leet from V E / VV Line of Section	1
Contact Person. Milke Hertel Phone: (768) 562-2445 CONTRACTOR: Licenses 33237 Name. Anderson Drilling Well Drilled For: Well Class: Type Equipment:	Address: 704 E. 12th Street	Is SECTION <u>▼ Reg</u> ularIrregular?	
Contact Person. Milke Hertel Phone: (768) 562-2445 CONTRACTOR: Licenses 33237 Name. Anderson Drilling Well Drilled For: Well Class: Type Equipment:	City/State/Zip: Hays, KS 67601		
Field Name: Anderson Drilling Salaring	Contact Person. Mike Hertel	County: Sheridan	
Is this a Proceated / Spaced Fleid? ves	Phone: (785) 628-2445	Lease Name: Schippers Well #: 1	
Name: Anderson Drilling Well Class: Type Equipment: On Enr Rec Infield Ass Storage Pool Ext. Ar Rotary Own Disposal Pool Conductor Pipe Pool Ext. Ar Rotary Own Disposal Po	33237		
Mell Critical For Well Class: Type Equipment: Ground Surface Elevation: 2996 9st. 2997 No. 2997	CONTRACTOR: License# 55257 Anderson Drilling		′ No
Convertible	Name: Alderson Diming		
Ground Surface Elevation: _2009 681. Get MSL Ground Surface Elevation: _2009 681. Get MSL Ground Surface Elevation: _2009 681. Get MSL Ground Surface Elevation: _2009 681. Ground Surface Elevation:	Well Drilled For: Well Class: Type Equipment:		
Gas Storage Pool Ert Cable Cable Seismic so I Holes Water well within one rille: Yes No Poperator: Seismic so I Holes Water well within one mile: Yes No Poperator: Poperator: So I Holes Water well within one mile: Yes No Poperator: Poperator: Surface Pipe by Alternate: 1 Z 2 Length of Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Length of Conductor Pipe required: No Projected Total Depth: Surface Pipe Pianned to be set: 2004 Water Source for Diling Operations: Water Source for			
Common Disposal Seismic;			
Seismic:		Public water supply well within one mile:	No
If OWWO: old well information as follows:			
If OWWC. old well information as follows: Operator: Operator: Well Name: Original Completion Date: Original Total Depth: Directional, Deviated or Horizontal well@peeCEIVED If Yes, rue vertical depth: **ANSAS CORPORATION COMMISSION** Bottom Hole Location: **NOV 0 8 2005 **Well Cores be taken?** If Yes, proposed zone: **ONSERVATION DIVISION** **AFFIDANT** The undersigned hereby affirms that the orilling, 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 ng; 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 be 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 COlstrict 3 area, alternate II comenting 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-like best of my knowledge and belief. Per KCC Use ONLY API # 15		Depth to bottom of usable water: 3450	
Consideration Conductor Pipe required: Con	Otner	Surface Pipe by Alternate: 1 2	
Consideration Conductor Pipe required: Con	If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 200+	
Well Name: Original Completion Date: Original Total Depth: Formation at Total Depth: Kansas City Formation at Total Depth: Kansas City Formation at Total Depth: Kansas City Water Source for Drilling Operations: Water Source Approved Intended For Parmit with DWR) Water Source for Drilling Operations: Water Source Approved Intended For Parmit with DWR) Water Source Approved zone: Water Source Approved Intended For Parmit with DWR) Water Source Approved Zone on Suprementation of Drilling Intended For Parmit with DWR) Water Source Approved Zone on Suprementation of Drilling Intended Parmit Suprementation of Drilling Intended Parmit Suprementation of Drilling Intended Parmit Suprementation of Parmit Suprementation of Parmit Suprementation Suprementation of Parmit Suprementation of Parmit Suprementation of Parmit	Operator:	Length of Conductor Pipe required: none	
Original Completion Date:Original Total Depth:Vormation at Total Depth:	•		-
Water Source for Ortiling Operations: Water Source for Operation Ofter In Source Source on Internation Ofter		Formation at Total Depth: Kansas City	
Post		Water Source for Drilling Operations:	
Post	Directional, Deviated or Horizontal well received Yes V No	Well ✓ Farm Pond Other	
NOV 0 8 2005 Will Cores be taken? Yes No No No No No No No N	If Yes, true vertical depth: KANSAS CORPORATION COMMISSION	DWR Permit #:	
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 pluggling; 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: November 8, 2005 Signature of Operator or Agent: For KCC Use ONLY API # 15 - 1 79 2 2114 7 00 00 feet per Alt. * (2) Approved by:	Bottom Hole Location:	(Note: Apply for Permit with DWR)	
The undersigned hereby affirms that the offiling, 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 #133,881-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: November 8, 2005 Signature of Operator or Agent: Minimum surface pipe required	KCC DKT #: NOV 0 8 2005	Will Cores be taken? Yes ✓	No
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 Kanass 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: November 8, 2005 Signature of Operator or Agent: For KCC Use ONLY API # 15	***	If Yes, proposed zone:	
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: November 8, 2005 Signature of Operator or Agent. Signature of Operator or Agent. Agent Title: 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:	WICHITA, KS The undersigned hereby affirms that the drilling, completion and eventual p		
Date: November 8, 2005 Signature of Operator or Agent:	 A copy of the approved notice of intent to drill shall be posted on ea. The minimum amount of surface pipe as specified below shall be so through all unconsolidated materials plus a minimum of 20 feet into the second of the seco	bet by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. District office on plug length and placement is necessary prior to plugging aged or production casing is cemented in; ted from below any usable water to surface within 120 days of spud date #133,891-C, which applies to the KCC District 3 area, alternate II cemented be plugged. In all cases, NOTIFY district office prior to any cementing	ng; nting
For KCC Use ONLY API # 15 - 1 79 _ 2/147.00-00 Conductor pipe required NONE feet per Alt. → (2) Approved by: RTP 11-8-05 This authorization expires: 5 8-06 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:	I hereby certify that the statements made herein are true and to the best of	r my knowledge and belief.	
For KCC Use ONLY API # 15 - 1 79 ~ 2/147.00 ~ 00 Conductor pipe required NONE feet Minimum surface pipe required ZOO feet per Alt. ⇒ ② Approved by: RTO 11-8.05 This authorization expires: 5.8-06 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Signature of Operator or Agent: Date: Date: Date: Date:	Date: November 8, 2005 Signature of Operator or Agent:	na thanda Title: Agent	
API # 15 - 179 2/147.00 - 00 Conductor pipe required NONE feet Minimum surface pipe required ZOO feet per Alt. → ② Approved by: Submit plugging report (CP-4) after plugging is completed; Obtain written approval before disposing or injecting salt water. If this authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Signature of Operator or Agent: Date: Date:		Remember to:	
Conductor pipe required	For KCC Use ONLY API # 15 - 179 - 2/147-00-00	- File Completion Form ACO-1 within 120 days of spud date;	N
Minimum surface pipe required 200 feet per Alt. > 2 Approved by: R. D. L. S. Obtain written approval before disposing or injecting salt water. This authorization expires: 5. S. 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:	l		
This authorization expires: 5 8 06 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent: Date: Date:	Minimum surface pipe required 700 feet per Alt. ⇒ ②	- Submit plugging report (CP-4) after plugging is completed;	12
Check the box below and return to the address below. Check the box below and return to the address below.	5.7.0($\overline{\sigma}$
Well Not Drilled - Permit Expired	•		
Spud date: Agent: Signature of Operator or Agent: Date:	(This authorization void if drilling not started within 6 months of effective date.)		ł
Date:	Sound date: Agent:		2
	Spud dateAgent:	• • •	
	Holl to: VCC - Concernation Division 190		4

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.

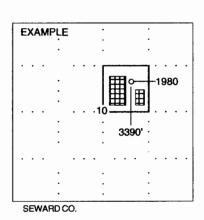
API No. 15	Location of Well: County: Sheridan
Operator: Hertel Oil Company	1010feet from N / ✓ S Line of Section
Lease: Schippers	1010 feet from N / S Line of Section 1180 feet from E / W Line of Section
Well Number: 1	Sec. 22 Twp. 10 S. R. 28 East ✓ West
Field:	
Number of Acres attributable to well:	Is Section: Regular or Irregular
QTR / QTR / QTR of acreage:	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.)

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

in plotting the proposed location of the well, you must show:

- 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.
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 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

November 8, 2005

Mr. Mike Hertel Hertel Oil Company 704 E. 12th St. Hays, KS 67601

RE: Drilling Pit Application

Schippers Lease Well No. 1 SE/4 Sec. 22-10S-28W Sheridan County, Kansas

Dear Mr. Hertel:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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. 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.

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