

For KCC Use: 8-10-06
Effective Date: 4
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

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date January 10, 2006
month 1 day 10 year 2006
OPERATOR: License# 6861
Name: Ron's Oil Operation, Inc.
Address: 1889 200th Avenue
City/State/Zip: Penokee, KS 67659
Contact Person: Ron Nickelson
Phone: (785) 421-2409
CONTRACTOR: License# UNKNOWN
Name: ADVISE ON ACO - MUST BE LICENSED WITH KCC

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

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: 2,850
Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot
ApNW. SWNE NE Sec. 27 Twp. 4 S. R. 30 East West
970 feet from N / S Line of Section
1,000 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Decatur
Lease Name: Phillips Well #: 15-2
Field Name: Unnamed
Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Kansas City
Nearest Lease or unit boundary: 970'
Ground Surface Elevation: 2857 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' 175
Depth to bottom of usable water: 200'

Surface Pipe by Alternate: 1 2 3 ALT-1
Length of Surface Pipe Planned to be set: 200+ 250

Length of Conductor Pipe required: none
Projected Total Depth: 4,000'

Formation at Total Depth: Kansas City
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: _____

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 05 2006

CONSERVATION DIVISION
WICHITA, KS

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 must 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: January 5, 2006 Signature of Operator or Agent: Donna Shanda Title: Agent

For KCC Use ONLY	
API # 15 - <u>039-20955-0000</u>	
Conductor pipe required	<u>NONE</u> feet
Minimum surface pipe required	<u>250</u> feet per Alt. <u>1</u> <u>2</u>
Approved by:	<u>RJP1-5-06</u>
This authorization expires: <u>7-5-06</u>	
(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.

- 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

27

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30

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: Ron's Oil Operation, Inc. _____

Lease: Phillips _____

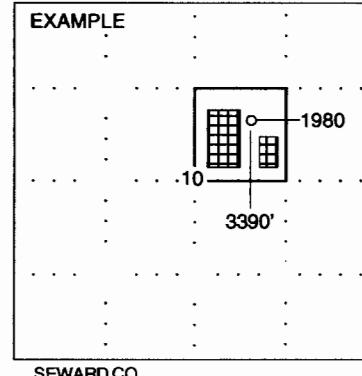
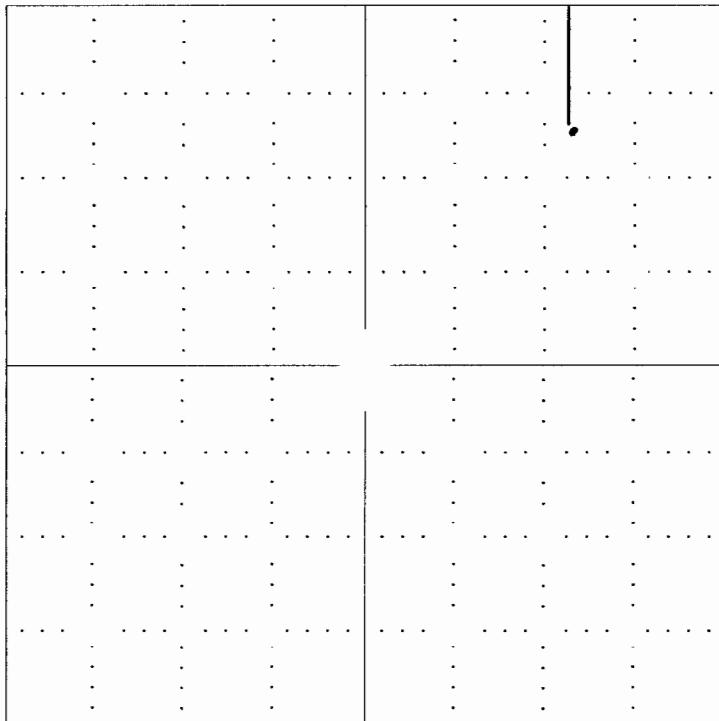
Well Number: 15-2 _____

Field: _____

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: ApNW - SWNE - NE

Location of Well: County: Decatur

970 feet from N / S Line of Section1,000 feet from E / W Line of SectionSec. 27 Twp. 4 S. R. 30 East WestIs 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.)***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: (C0-7 for oil wells; CG-8 for gas wells).