

For KCC Use: 1-31-06  
Effective Date: 1-31-06  
District # 1  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

Form C-1  
December 2002  
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 March 1st 2006  
month / day year

OPERATOR: License# 32787  
Name: Kansas Natural Gas Operating, Inc.  
Address: P.O. Box 815  
Sublette, KS 67877  
City/State/Zip:  
Contact Person: Steve Lehning  
Phone: 620-675-8185 or 629-0535

CONTRACTOR: License# 33375  
Name: Cheyenne Drilling - LP

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> Seismic; # of Holes	<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Other	(Replacement Well)	<input type="checkbox"/> Cable

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

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: 06-CONS-094-CWLE

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DEC 19 2005  
CONSERVATION DIVISION  
WICHITA, KS

AFFIDAVIT WELL LOCATION EXCEPTION GRANTED

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: December 13, 2005 Signature of Operator or Agent: Steven M. Lehning Title: Supt.

**For KCC Use ONLY**  
API # 15 - 055-21902-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 880 feet per Alt. 1  
Approved by: RJPI-2606  
This authorization expires: 7-26-06  
(This authorization void if drilling not started within 6 months of approval date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Spot SW SW NW Sec. 19 Twp. 24 S. R. 34  East  West  
2840' feet from  N /  S Line of Section  
5080' feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

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

County: Finney  
Lease Name: Finnup Well #: 1-A (Replace)  
Field Name: Hugoton - Chase Series  
Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Herrington - Krider - Winfield  
Nearest Lease or unit boundary: 200' FWL  
Ground Surface Elevation: 2932' 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: 400'  
Depth to bottom of usable water: 850' 860'  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 880' MW  
Length of Conductor Pipe required: None  
Projected Total Depth: 2650'  
Formation at Total Depth: Chase Formation  
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: \_\_\_\_\_

**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

19  
24  
34W

**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 - New Well  
 Operator: Kansas Natural Gas Operating, Inc.  
 Lease: Finnup  
 Well Number: 1-A (Replace)  
 Field: Hugoton - Chase Series

Number of Acres attributable to well: 638 acres  
 QTR / QTR / QTR of acreage: SW - SW - NW

Location of Well: County: Finney  
 2840' \_\_\_\_\_ feet from  N /  S Line of Section  
 5080' \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 19 Twp. 24 S. R. 34  East  West

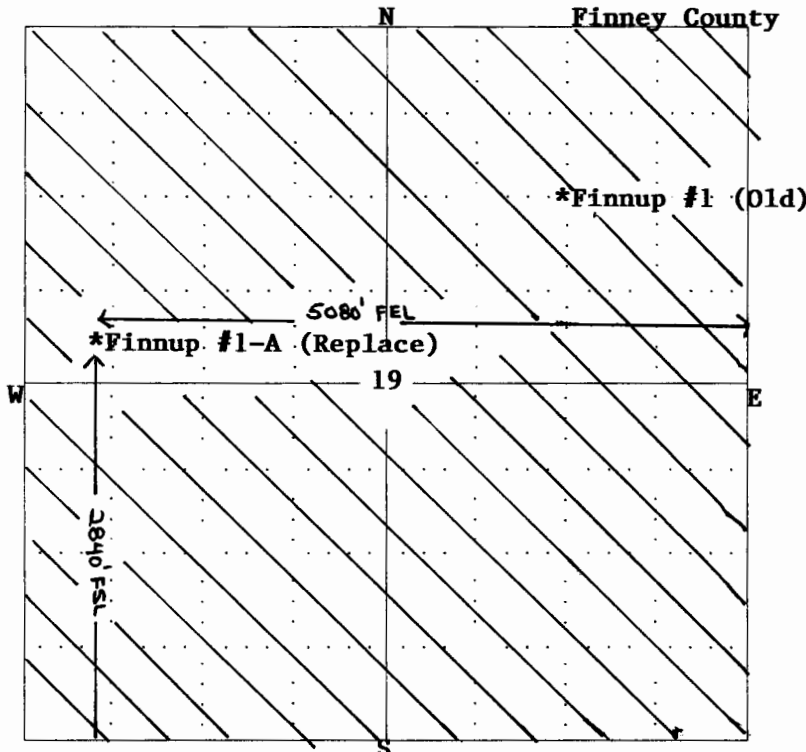
Is Section:  Regular or  Irregular

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

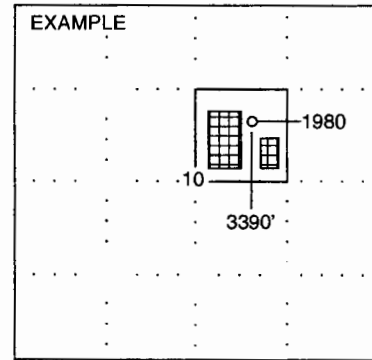
Section corner used:  NE  NW  SE  SW

**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.)*



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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:**

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).