

For KCC Use:
Effective Date: 5-17-06
District # _____
SGA? Yes No

NOTICE OF INTENT TO DRILL

MAY 12 2006

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

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

Expected Spud Date _____ month _____ day _____ year

OPERATOR: License # 5278
Name: EOG Resources, Inc.
Address: 3817 NW Expressway, Suite 500
City/State/Zip: Oklahoma City, Oklahoma 73112
Contact Person: BREANNA VARGAS
Phone: 405-246-3158

CONTRACTOR: License # 30684
Name: ABERCROMBIE RTD, INC.

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; _____ # of Holes	<input checked="" type="checkbox"/> Wildcat	<input type="checkbox"/> Other
<input type="checkbox"/> Other _____		

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 # _____

Prorated, Spaced Hugoton & Panoma

CONSERVATION DIVISION

WICHITA, KS

Spot _____ East
SW SE SW Sec 11 Twp 34 S. R. 38 East
 West

580 feet from N / S Line of Section
1900 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on Section Plat on Reverse Side)

County: STEVENS

Lease Name: VERNA Well #: 11 #1

Field Name: _____

Is this a Prorated/Spaced Field? Yes No

Target Formation(s): LOWER MORROW

Nearest Lease or unit boundary: 580'

Ground Surface Elevation: 3139' feet MSL

Water well within one-quarter mile: yes no

Public water supply within one mile: yes no

Depth to bottom of fresh water: 620'

Depth to bottom of usable water: 680'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 1700'

Length of Conductor pipe required: 40'

Projected Total Depth: 6300'

Formation at Total Depth: LOWER MORROW

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: _____

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55- 101 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: 5/9/06 Signature of Operator or Agent: Breanna Vargas Title: OPERATIONS ASSISTANT

For KCC Use ONLY
API # 15- 189-22533-0000
Conductor pipe required None feet
Minimum surface pipe required 700 feet per Alt 1
Approved by: RH 5-12-06
This authorization expires: 11-12-06
(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 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: _____

11-34-38 W

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 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 EOG Resources, Inc.
 Lease VERNA
 Well Number 11 #1
 Field _____

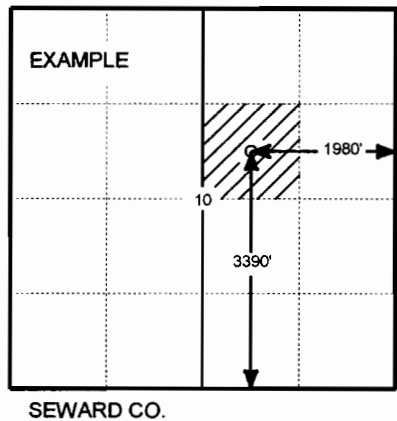
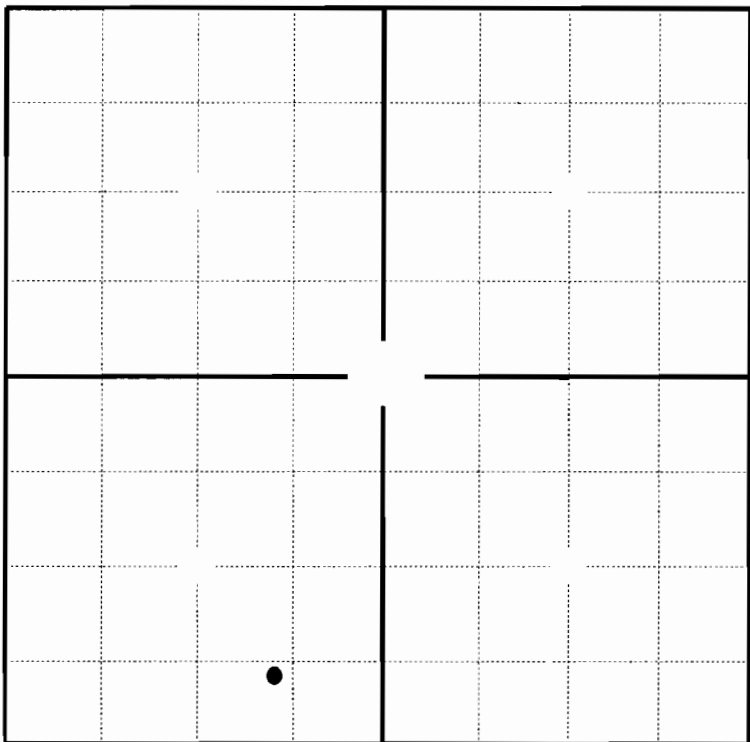
Location of Well: County: STEVENS
 _____ 580 feet from N / S Line of Section
 _____ 1900 feet from E / W Line of Section
 Sec 11 Twp 34 S. R. 38 East West

Number of Acres attributable to well: _____
 QTR/QTR/QTR of acreage: SW - SE - SW

Is Section X 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 nearest lease or unit boundary line)*



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; and 3.
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 S. MCDINE, CHAIR

ROBERT E. YREBIEC, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

NOTICE TO OPERATORS DRILLING IN THE PANOMA- COUNCIL GROVE GAS POOL SPACED AREA

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1978, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

"The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, in the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted."

1. "No dual completions between the Chase (Hugoton) and Council Grove Formations will be permitted for future wells drilled."
2. "Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well."
3. "The production casing of all new Council Grove wells should be cemented with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 500 feet above the Chase Formation."
4. "The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the space area."
5. "The cement coverage heretofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log."

A copy of this survey and the cement tickers(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the wells "spud date."

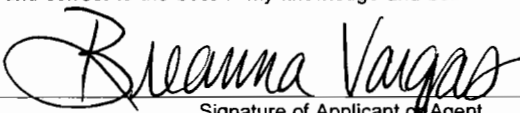
Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division's Production Department at (316) 337-6200.

RECEIVED
KANSAS CORPORATION COMMISSION
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
MAY 12 2006
APPLICATION FOR SURFACE PIT
CONSERVATION DIVISION
WICHITA, KS

Form CDP-1
 April 2004
 Form must be Typed

Submit in Duplicate

Operator Name: EOG Resources, Inc.		License Number: 5278
Operator Address: 3817 NW Expressway Suite #500 Oklahoma City, OK 73112		
Contact Person: Breanna Vargas		Phone Number: (405) 246 - 3158
Lease Name & Well No.: Verna 11 #1		Pit Location (QQQQ): SE ^{SW} SE ^{SW} SW ^{SW} Sec. 11 Twp. 34S R. 38 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 300 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1300 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Stevens County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 12,500 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 3289 feet Depth of water well 569 feet		Depth to shallowest fresh water 280 234 feet. Source of information: KH KWS 2 <input checked="" type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Gel Number of working pits to be utilized: None Abandonment procedure: Evaporation/dewater and backfilling of reserve pit. Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
_____ 5/9/06 Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY		
Date Received: 5/12/06	Permit Number: _____	Permit Date: 5/12/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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