

For KCC Use:  
Effective Date: 5-24-06  
District # 1  
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 work

RECEIVED OWWO  
MAY 18 2006  
KCC WICHITA

Form C-1  
December 2002  
Form must be Typed  
Form must be Signed  
Blanks must be Filled

Expected Spud Date JUNE 2ND 2006  
month day year

Spot  East  
NW - NW - SE - NW Sec. 25 Twp. 16 S. R. 26  West  
1440 feet from  N /  S Line of Section  
1610 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

OPERATOR: License# 30535  
Name: HARTMAN OIL CO INC  
Address: 12950 E 13TH ST  
City/State/Zip: WICHITA, KS 67230  
Contact Person: STAN MITCHELL  
Phone: 620-277-2511/620-791-7187

CONTRACTOR: License# 33645  
Name: PLAINS LLC

(Note: Locate well on the Section Plat on reverse side)  
County: NESS  
Lease Name: MARGUERITE STUTZ Well #: 1  
Field Name: UNICE EAST

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): MISSISSIPPIAN/FT SCOTT  
Nearest Lease or unit boundary: UNKNWN

Ground Surface Elevation: 2602 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: 1250  
Surface Pipe by Alternate:  1  2 Alternate 2

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

If OWWO: old well information as follows:  
Operator: PALOMINO PETROLEUM INC  
Well Name: MARGUERITE STUTZ  
Original Completion Date: 11-17-02 Original Total Depth: 4735

Length of Surface Pipe ~~Planned to be set:~~ 240'  
Length of Conductor Pipe required: NONE  
Projected Total Depth: 4550'  
Formation at Total Depth: 4550'

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

Water Source for Drilling Operations:  
 Well  Farm Pond  Other HAULED  
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 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: 5/16/06 Signature of Operator or Agent: [Signature] Title: Production Supervisor

For KCC Use ONLY  
API # 15 - 135-24199-00-01  
Conductor pipe required None feet  
Minimum surface pipe required 240 feet per Alt. XO 2  
Approved by: [Signature]  
This authorization expires: 11-19-06  
(This authorization void if drilling not started within 6 months of approval 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

25  
10  
26w

RECEIVED

MAY 18 2006

KCC WICHITA

**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 - 135-24199-0001  
 Operator: HARTMAN OIL CO INC  
 Lease: MARGUERITE STUTZ  
 Well Number: 1  
 Field: UNICE EAST

Location of Well: County: NESS  
1440 feet from  N /  S Line of Section  
1610 feet from  E /  W Line of Section  
 Sec. 25 Twp. 16 S. R. 26  East  West

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

Is Section:  Regular or  Irregular

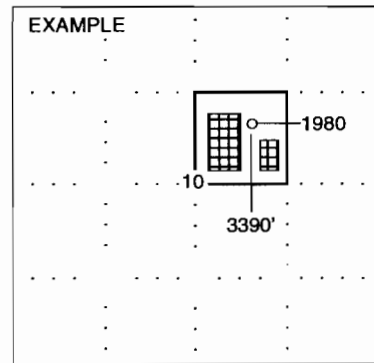
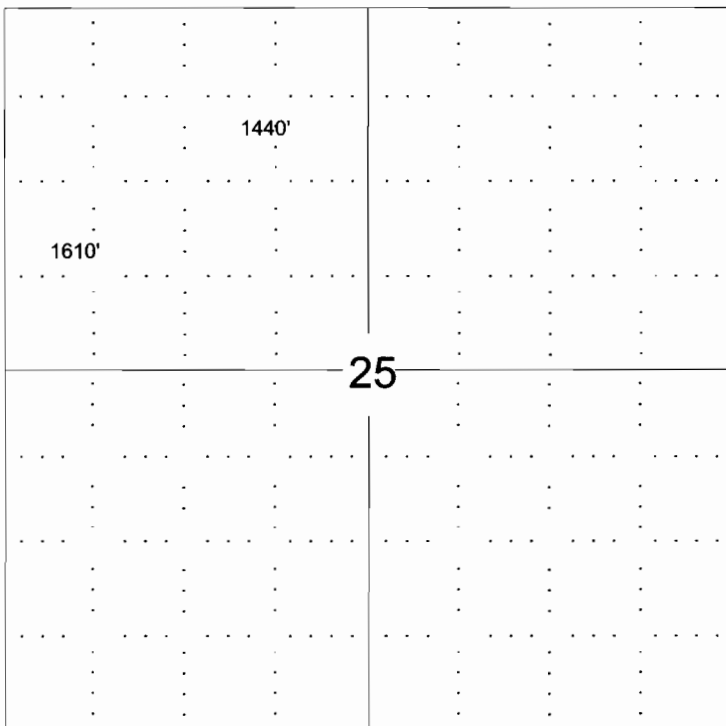
**If Section is Irregular, locate well from nearest corner boundary.**

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 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: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT

RECEIVED

MAY 18 2006

KCC WICHITA

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>HARTMAN OIL CO INC</b>		License Number: <b>30535</b>
Operator Address: <b>12950 E 13TH ST</b>		
Contact Person: <b>STAN MITCHELL</b>		Phone Number: ( <b>620</b> ) <b>277 - 2511</b>
Lease Name & Well No.: <b>MARGUERITE STUTZ #1</b>		Pit Location (QQQQ): <b>NW - SE - NW -</b> Sec. <b>25</b> Twp. <b>16</b> R. <b>26</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1440</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>1610</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>NESS</b> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>10 MIL PLASTIC LINER</b>
Pit dimensions (all but working pits): <b>10</b> Length (feet) <b>10</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>8</b> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>10 MIL PLASTIC , HELD IN PLACE BY EARTHEN BERM</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>MONITOR HOURLY</b>
Distance to nearest water well within one-mile of pit <b>6600</b> feet Depth of water well _____ feet		Depth to shallowest fresh water <b>40</b> feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner _____ electric log _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>drilling mud</b> Number of working pits to be utilized: <b>1</b> Abandonment procedure: <b>Air Dry + backfill</b> 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.  <b>5/16/06</b> Date <b>Stan Mitchell</b> Signature of Applicant or Agent		

15-135-24/199-00-01

KCC OFFICE USE ONLY			
Date Received: <b>5/18/06</b>	Permit Number: _____	Permit Date: <b>5/18/06</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

STATE OF KANSAS  
STATE CORPORATION COMMISSION  
200 Colorado Derby Building  
Wichita, Kansas 67202

WELL PLUGGING RECORD  
K.A.R.-82-3-117

API NUMBER 15-135-24199-00-00

LEASE NAME Marguerite Stutz

WELL NUMBER 1

1440 **FNL** ft. from S Section Lin

1610 **FNL** ft. from E Section Lin

SEC. 25 TWP. 16 RGE. 26 () or ()

COUNTY Ness County, Kansas

Date Well Completed 11-17-02

Plugging Commenced 11-18-02

Plugging Completed 11-18-02

TYPE OR PRINT  
NOTICE: Fill out completely  
and return to Case File  
office within 30 days.

Case 22  
NOTICED

LEASE OPERATOR Palomino Petroleum, Inc.

ADDRESS 4924 SE 84th St. Newton, Kansas 67114-8827

PHONE# (316) 799-1000 OPERATORS LICENSE NO. 30742

Character of Well D&A

(Oil, Gas, D&A, SKD, Input, Water Supply Well)

The plugging proposal was approved on 11-14-02 (date)

by Steve Middleton (KCC District Agent's Name)

Is ACO-1 filed? Yes If not, Is well log attached?

Producing Formation None Depth to Top  Bottom T.O. 4735'

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS | CASING RECORD

Formation	Content	From	To	Size	Put In	Pulled out
		Surface	240'	8 5/8"	5 jts.	

Describe in detail the manner in which the well was plugged, indicating where the mud fluid placed and the method or methods used in introducing it into the hole. If cement or other plugs are used, state the character of same and depth placed, from    feet to    feet each

1st Plug: 2020' w/50 sacks cement through drillpipe

2nd Plug: 1200' w/80

3rd Plug: 600' w/40

4th Plug: 270' w/40 Top: 40' w/10 Rathole w/15

Name of Plugging Contractor Duke Drilling Co., Inc. License No. 5929

Address PO Box 823 Great Bend, Kansas 67530

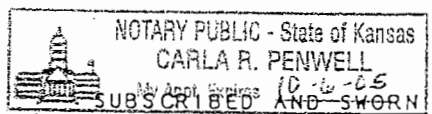
NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Palomino Petroleum, Inc.

STATE OF Kansas COUNTY OF Harvey, ss.

Palomino Petroleum, Inc. (Employee of Operator) or (Operator)

above-described well, being first duly sworn on oath, says: That I have knowledge of the facts and matters herein contained and the log of the above-described well as filed thereon are true and correct, so help me God.

(Signature) Klee R. Watchous  
(Address) Klee R. Watchous, President  
4924 SE 84th St., Newton, KS 67114-8827



SUBSCRIBED AND SWORN TO before me this 6th day of December, 2002

Carla R. Penwell  
Notary Public Carla R. Penwell

My Commission Expires: 10-6-05  
USE ONLY ONE SIDE OF EACH FORM