

For KCC Use:
Effective Date: 6-28-06
District # 1
SGA? Yes No

NOTICE OF INTENT TO DRILL

MAY 26 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

CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date _____
month day year

Spot
SE - SW SW SW Sec 27 Twp 32 S. R. 36 East West

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

150 feet from N / S Line of Section
380 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

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

County: STEVENS
Lease Name: SULLINS Well #: 34 #3H
Field Name: _____

Is this a Prorated/Spaced Field? Yes No

Target Formation(s): ATOKA
*Nearest Lease or unit boundary: 150'

Ground Surface Elevation: 3050' 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' 500'

Depth to bottom of usable water: 680' 500'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 1700'

Length of Conductor pipe required: 40'

Projected Total Depth: 8100'

Formation at Total Depth: ATOKA

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: _____

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: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If yes, true vertical depth: 5600'

Bottom Hole Location 34-32S-36W 2800' ENL & 380' FWL

* KCC DKT # 06-cons-200-CHOR

WLE granted

PUPA 060602

Prorated, Spaced Hugoton & Panama

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: 5/25/06 Signature of Operator or Agent: Breanna Vargas Title: OPERATIONS ASSISTANT

For KCC Use ONLY
API # 15- 189-22539-01-00
Conductor pipe required None feet
Minimum surface pipe required 600 feet per Alt 1
Approved by: Per 6-23-06
This authorization expires: 12-23-06
(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: _____

27-32-36W

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- 189-22539-01-00
 Operator EOG Resources, Inc.
 Lease SULLINS
 Well Number 34 #3H
 Field _____

Location of Well: County: STEVENS
 _____ 150 feet from N / S Line of Section
 _____ 380 feet from E / W Line of Section
 Sec 27 Twp 32 S. R 36 East West

Number of Acres attributable to well: _____

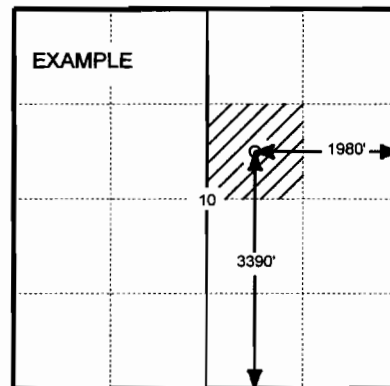
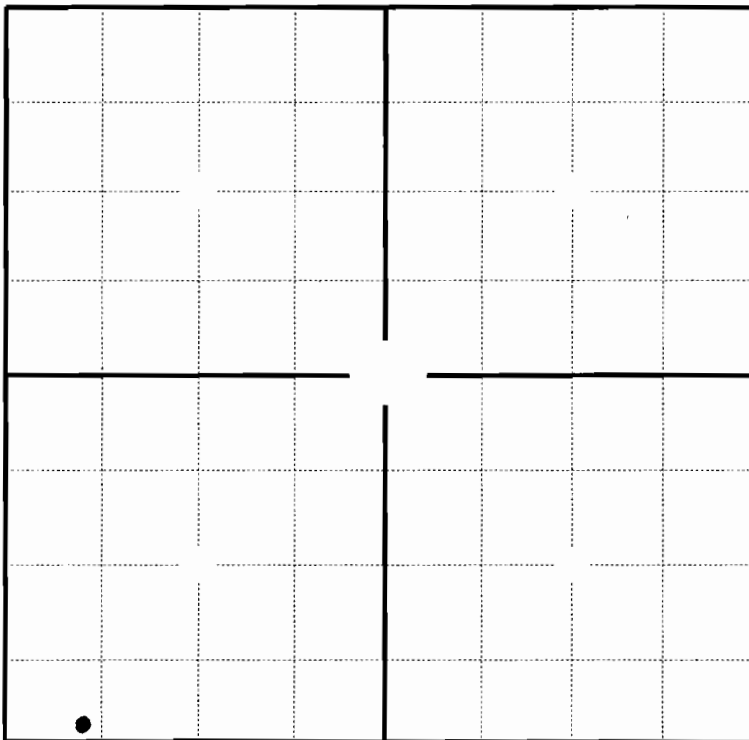
Is Section Regular or _____ Irregular

QTR/QTR/QTR of acreage: SW - SW - SW

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)*



SEWARD CO.

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).

MAY 26 2006

Form CDP-1
April 2004

Form must be Typed

APPLICATION FOR SURFACE PIT CONSERVATION DIVISION
WICHITA, KS

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.: Sullins 34 #3H		Pit Location (QQQQ): SE SW SW SW
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: 12,500 (bbls)	Sec. 27 Twp. 32 R. 36 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 150 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 380 280 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Stevens County
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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 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 2105 feet Depth of water well 560 feet		Depth to shallowest fresh water 280 feet. (2) Source of information: <input checked="" type="checkbox"/> measured _____ well owner _____ electric log _____ 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.		
5/25/06 Date		<i>Breanna Vargas</i> Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 5/26/06 Permit Number: _____		Permit Date: 5/30/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-189-22539-01-00

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

1 pit used for Sullins 34 #3H & Sullins 34 #2H
** only one pit will be used for both the Sullins 34#2H & the Sullins 34#3H*

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

May 30, 2006

Ms. Breanna Vargas
EOG Resources, Inc.
3817 NW Expressway, Ste 500
Oklahoma City, OK 73112

RE: Drilling Pit Application
Sullins Lease Well No. 34 #2H & 34#3H
SW/4 Sec. 27-32S-36W
Stevens County, Kansas

Dear Ms. Vargas:

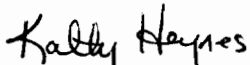
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), 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: File

PVPA 060602

**VERIFIED AFFIDAVIT FOR USE OF MUD AS AN
 ALTERNATIVE TO THE CEMENTING REQUIREMENT IN ¶18(D)
 OF THE PANOMA COUNCIL GROVE B.P.O.**

FORM MUST BE TYPED

Submit in Duplicate
 Attach to Drilling Permit

Operator Name EOG Resources, Inc.				KCC License No. 5278	
Operator Address 3817 NW Expressway Suite #500 Oklahoma City, OK 73112					
Contact Person Breanna Vargas				Telephone No. (405)246-3158	
Lease Name & No. Sullins 34 #3H		API No. 15-189-22539-01-00		KCC Lease Code No.	
Location Quarter SW	Section 27	Township 32S	Range 36	150 E W (circle one) 380	FL from N S (circle one) Line of Sec. FL from E W (circle one) Line of Sec.
County Stevens	Field Name	Producing Formation Group Atoka		Mud Weight 8.7	

AFFIDAVIT CERTIFICATE OF SERVICE

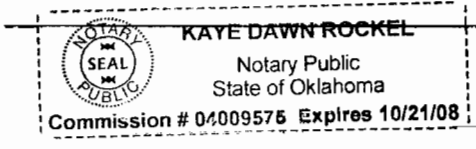
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements here are complete and correct to the best of my knowledge. The well subscribed to in this Affidavit will be completed in accordance with all applicable rules and regulations of the KCC. However, applicant intends to use drilling mud of sufficient weight across the interval between the base of the Council Grove Group and the top of the Chase Group as an alternative to the cementing requirements found in paragraph 18(D) of the Panoma Council Grove B.P.O. unless an objection is filed within 15 days of service of this Affidavit. I hereby certify that I caused a true and correct copy of the foregoing Affidavit and any attachments of said Affidavit to be served by placing the same in the United States mail, postage prepaid, to the following parties, which represent all of the operators or lessees of record and the owners of record of unleased acreage within a one mile radius of the well, including operators and working interest owners having interests in the lands covered by the unit on which the well is to be drilled:

Signature Breanna Vargas Date May 31, 2006
 Title Operations Assistant

Subscribed and sworn to before me this 1st day of June, 2006.

Notary Public Kaye Dawn Rockel

Date Commission Expires _____



15-189-22539-01-00

PVPA 060602

RECEIVED

KANSAS CORPORATION COMMISSION

JUN 02 2006

CONSERVATION DIVISION
WICHITA, KS

Exhibit "A"
Sullins 34 #3H
Sections 27, 34-32S-36W
Stevens County, Kansas
Page 1 of 1

1. ExxonMobil Production Company
P.O. Box 4697
Houston, TX 77210-4697

2. Chesapeake Operating Incorporated
P.O. Box 18496
6100 North Western Avenue
Oklahoma City, OK 73154-0496

3. ONEOK Bushton Processing
% ONEOK Energy Resources Company
P.O. Box 871
100 West Fifth Street, Suite 1200
Tulsa, OK 74102-0871

End of Exhibit "A"

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

June 23, 2006

Breanna Vargas
EOG Resources, Inc.
3817 NW Expressway, Suite 500
Oklahoma City, OK 73112

Re: Sullins 34 #3H, API #15-189-22539-0100
Docket # PVPA 060602
Sec. 27-T32S-R36W
Stevens County, Kansas

Dear Ms. Vargas,

The form VPA-1 affidavit filed for the above-referenced well stated that service of the affidavit was mailed on May 31, 2006. The fifteen (15) day protest period has expired and we have not received any protests. Therefore, we are advising you that drilling this well may commence and, in lieu of cement, drilling mud of the weight specified in your affidavit may be used across the interval between the base of the Council Grove group and the top of the Chase group.

Sincerely,



David P. Williams
Production Department

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRYAN J. MOLINE, CHAIR

ROBERT E. EPERBIELE, 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 tickets(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.