

***CORRECTED**

LI

For KCC Use: 8-8-06
Effective Date: 8-8-06
District # 2
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 August 24 2006
month day year

Spot NE SE SE Sec. 10 Twp. 14 S. R. 10W East West
990 feet from N / S Line of Section
* 330 feet from E / W Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 8914
Name: H & C OIL OPERATING, INC.
Address: P.O. Box 86
City/State/Zip: Plainville, KS 67663
Contact Person: Charles R. Ramsay
Phone: (785) 434-7434
CONTRACTOR: License# 31548
Name: Discovery Drilling

(Note: Locate well on the Section Plat on reverse side)
County: Ellsworth
Lease Name: ERNEST SOULUP Well #: 1-10
Field Name: Wilson Creek
Is this a Prorated / Spaced Field? Yes No
Target Information(s): LKC

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

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 1830 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: 90'
Depth to bottom of usable water: 300' 330'

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

* Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200' +
Length of Conductor Pipe required: None
Projected Total Depth: 3000'
Formation at Total Depth: LKC

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 _____
DWR Permit #: _____
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

* WAS: 330' FWL
IS: 330' FEL

AFFIDAVIT * Note: Alternate 1 surface casing is 350 feet minimum.

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: 20 July 2006 Signature of Operator or Agent: _____ Title: Agent

For KCC Use ONLY
API # 15 - 053-21188-0000
Conductor pipe required: None feet
Minimum surface pipe required: 200 feet per Alt. **X2**
Approved by: RWR 8-3-06 / KWR 8-4-06
This authorization expires: 2-3-07
(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 work being completed;
- 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: _____

RECEIVED
JUL 24 2006
KCC WICHITA
D-14-10W