

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

For KCC Use:

Effective Date: 10-24-06

District # 1

SGA?  Yes  No

### NOTICE OF INTENT TO DRILL

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

Expected Spud Date \_\_\_\_\_ month \_\_\_\_\_ day \_\_\_\_\_ year

Spot  East  West  
SW NW SE SE Sec 24 Twp 33 S. R. 39

850' feet from  N / S  Line of Section

1175' feet from  E / W  Line of Section

Is SECTION X Regular \_\_\_\_\_ Irregular?

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

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

County: STEVENS

Lease Name: PELAJO Well #: 24 #1

Field Name: \_\_\_\_\_

Is this a Prorated/Spaced Field?  Yes  No

Target Formation(s): ST. GENEVIEVE

Nearest Lease or unit boundary: 850'

Ground Surface Elevation: 3197 feet MSL

Water well within one-quarter mile:  yes  no

Public water supply within one mile:  yes  no

Depth to bottom of fresh water: 600'

Depth to bottom of usable water: 600'

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 1700'

Length of Conductor pipe required: 40'

Projected Total Depth: 6500'

Formation at Total Depth: ST. GENEVIEVE

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:                                |
|--|-----------------------------------|--|
| <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 type="checkbox"/> Other    | <input checked="" type="checkbox"/> WildCat    |
| <input type="checkbox"/> Other _____               |                                   | <input type="checkbox"/> Air Rotary            |
|  |                                   | <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 # \_\_\_\_\_

\* PRORATED & SPACED HUGOTON/PANOMA

### 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:

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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 casing 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: 10/18/06 Signature of Operator or Agent Breanna Vargas Title: OPERATIONS ASSISTANT

For KCC Use ONLY  
API # 15- 189-22561-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 620 feet per AK 1   
Approved by: WVW 10-19-06  
This authorization expires: 4-19-07  
(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 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: \_\_\_\_\_

24-33-39W

**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- 189-22561-00-00  
 Operator EOG Resources, Inc.  
 Lease PELAJO  
 Well Number 24 #1  
 Field \_\_\_\_\_

Location of Well: County: STEVENS  
 \_\_\_\_\_ 850 feet from  N / S  Line of Section  
 \_\_\_\_\_ 1175 feet from  E / W  Line of Section  
 Sec 24 Twp 33 S. R. 39  East  West

Number of Acres attributable to well: \_\_\_\_\_

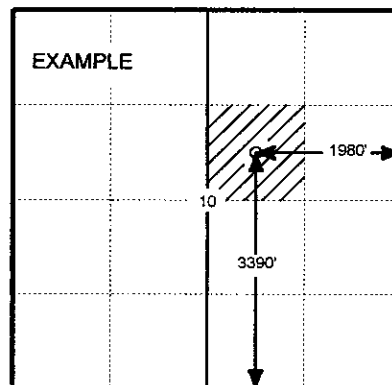
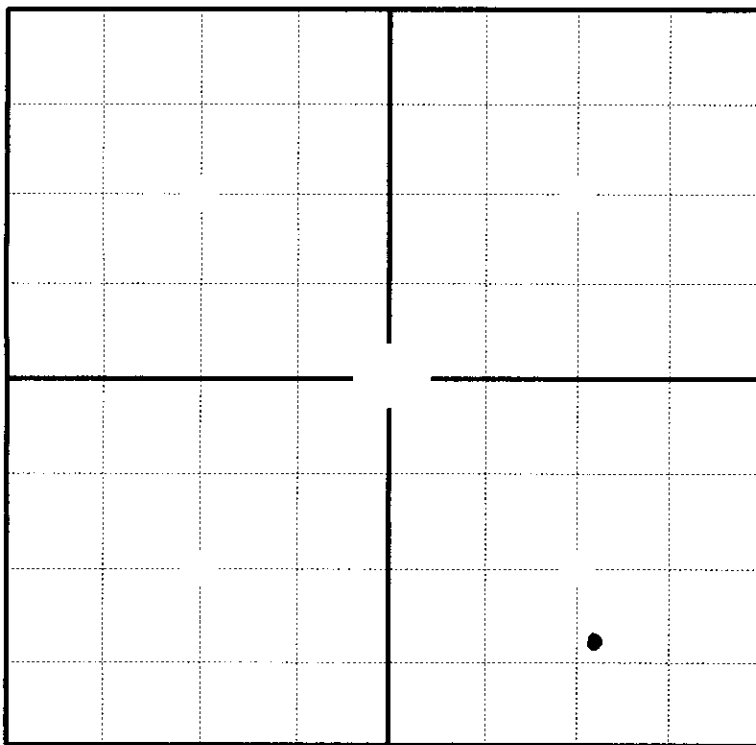
Is Section  Regular or \_\_\_\_\_ Irregular

QTR/QTR/QTR of acreage: SWNW - SE - SE

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).

### APPLICATION FOR SURFACE PIT

Submit in Duplicate

|  |   |   |
|--|---|---|
| Operator Name:<br><b>EOG Resources, Inc.</b>   |   | License Number:<br><b>5278</b>  |
| Operator Address:<br><b>3817 NW Expressway, Suite 500 Oklahoma City, OK 73112</b>  |   |   |
| Contact Person:<br><b>BREANNA VARGAS</b>   |   | Phone Number:<br><b>(405) 246-3158</b>  |
| Lease Name & Well No.:<br><b>PELAJO 24 #1</b>  |   | Pit Location (QQQQ):<br><b>SW - NW - SE - SE</b><br>Sec. <u>24</u> Twp. <u>33</u> R. <u>39</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West<br><u>850</u> Feet from <input type="checkbox"/> North/ <input checked="" type="checkbox"/> South Line of Section<br><u>1175</u> Feet from <input checked="" type="checkbox"/> East/ <input type="checkbox"/> West Line of Section<br><b>STEVENS</b> County |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><small>(If WP Supply API No. or Year Drilled)</small> | Pit is<br><input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If existing, date constructed _____<br>Pit capacity<br><u>12,500</u> (bbls) |   |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |   | Chloride concentration: _____ mg/l<br><small>(For Emergency Pits and Settling Pits, only)</small>   |
| Is the bottom below ground level?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   | Artificial Liner?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | How is pit lined if a plastic liner is not used?  |
| Pit dimensions (all but working pits): <u>125</u> Length (feet) <u>125</u> Width (feet) _____ N/A Steel Pits<br>Depth from ground level to deepest point <u>5</u> (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<br><u>3155</u> feet Depth of water well <u>400</u> feet  |   | Depth to shallowest fresh water <u>10261</u> feet.<br>Source of information:<br><input checked="" type="checkbox"/> measured _____ well owner <u>KMK65</u> <input checked="" type="checkbox"/> electric log <u>(3)</u> KDWR   |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>Does the slope from the tank battery allow all spilled fluids to flow into the pond? <input type="checkbox"/> Yes <input type="checkbox"/> No       |   | <b>Drilling, Workover and Haul-Off Pits ONLY:</b><br>Type of material utilized in drilling/workover <u>GEL</u><br>Number of working pits to be utilized <u>NONE</u><br>Abandonment procedure: <u>EVAPORATION/DEWATER AND BACKFILLING OF RESERVE PIT.</u><br>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.<br><br><u>10/18/06</u> Date <u>Breanna Vargas</u> Signature of Applicant or Agent  |   |   |
| KCC OFFICE USE ONLY  |   |   |
| Date Received: <u>10/19/06</u> Permit Number: _____ Permit Date: <u>10/19/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |   |   |

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CONSERVATION DIVISION  
WICHITA, KS

15-189-22561-08-02

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CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

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ROBERT E. KREHBIEL, 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.