

For KCC Use: 1-27-08
 Effective Date: 3
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 October 2007
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: _____
 month day year

OPERATOR: License# 6142
 Name: Town Oil Company, Inc.
 Address 1: 16205 West 287th St.
 Address 2: _____
 City: Paola State: KS Zip: 66071
 Contact Person: Lester Town
 Phone: 913-294-2125
 CONTRACTOR: License# 6142
 Name: Company Tools

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

Spot Description: _____
SW - NE - SW - SW Sec. 1 Twp. 15 S. R. 20 E W
 (10000) 825 feet from N / S Line of Section:
4420 feet from E / W Line of Section
 Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Douglas
 Lease Name: Baldwin Unit Well #: F-4
 Field Name: Baldwin

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Squirrel
 Nearest Lease or unit boundary line (in footage): 825

Ground Surface Elevation: _____ 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: 100
 Depth to bottom of usable water: 200-250+
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 40
 Length of Conductor Pipe (if any): None
 Projected Total Depth: 900
 Formation at Total Depth: Squirrel

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 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 correct to the best of my knowledge and belief.

Date: 1-15-08 Signature of Operator or Agent: Roberta Town Title: Agent

For KCC Use ONLY
 API # 15 - 045-21368-0000
 Conductor pipe required None feet
 Minimum surface pipe required 40 feet per ALT. I II
 Approved by: fw 1-22-08
 This authorization expires: 1-22-09
 (This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: _____
 Signature of Operator or Agent: _____

RECEIVED
 KANSAS CORPORATION COMMISSION

JAN 18 2008

CONSERVATION DIVISION

1
 15 20
 15 20

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 - 045-21368-0000
 Operator: _____
 Lease: _____
 Well Number: _____
 Field: _____
 Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____

Location of Well: County: _____
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Sec. _____ Twp. _____ S. R. _____ E W

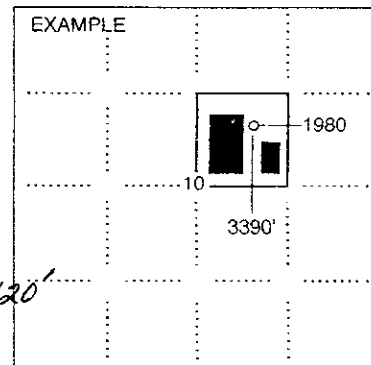
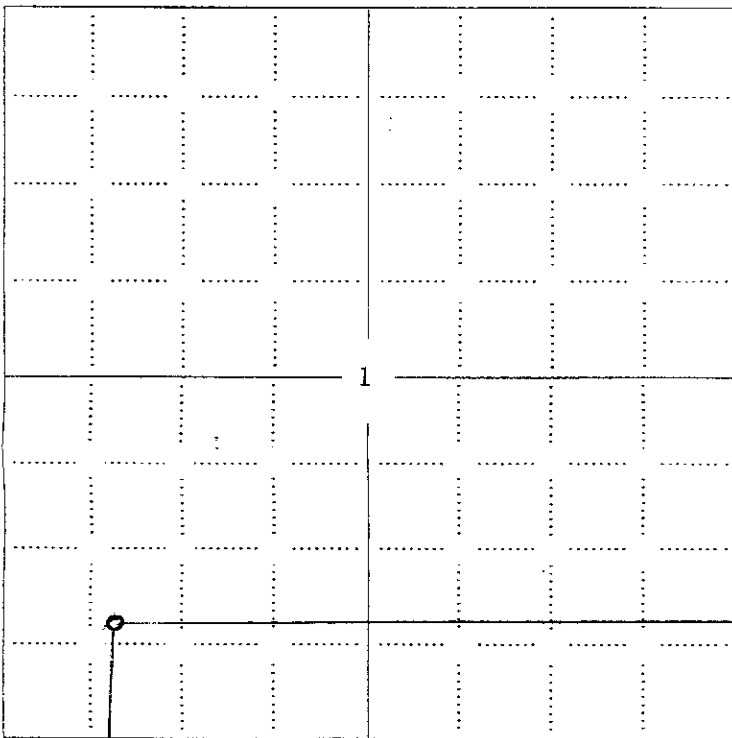
Is Section: Regular or Irregular

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.)*



NOTE: In all cases locate the spot of the proposed drilling location.

825'

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: <u>Town Oil Company, Inc.</u>		License Number: <u>6142</u>
Operator Address: <u>16205 W. 287th St. Paola, Kansas</u>		
Contact Person: <u>Lester Town</u>		Phone Number: (<u>913</u>) <u>294-2125</u>
Lease Name & Well No.: <u>Baldwin Unit F-4</u>		Pit Location (QQQQ): <u>SW - NE - SW - SW</u>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn Pit <input 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: <u>100</u> (bbls)	Sec. <u>1</u> Twp. <u>15</u> R. <u>20</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>825</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>4420</u> Feet from: <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <u>Douglas</u> County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
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? <u>Pits not lined unless not holding fluid</u>
Pit dimensions (all but working pits): <u>8</u> Length (feet) <u>12</u> Width (feet) _____ N/A: Steel Pits 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 <u>1302</u> feet Depth of water well <u>100</u> feet		Depth to shallowest fresh water <u>45</u> feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" 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: <u>fresh water</u> Number of working pits to be utilized: <u>2</u> Abandonment procedure: <u>Pits filled as soon a well is completed</u> 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.		
<u>1-15-08</u> Date	<u>Roberta Town</u> Signature of Applicant or Agent	

**RECEIVED
KANSAS CORPORATION COMMISSION**

JAN 18 2008

15-045-21368-0000

KCC OFFICE USE ONLY

Date Received: 1/18/08 Permit Number: _____ Permit Date: 1/18/08 Lease Inspection: Yes No

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

15-045-21368-0000



Kansas Corporation Commission

Bill Graves, Governor John Wine, Chair Cynthia L. Claus, Commissioner Brian J. Moline, Commissioner

February 9, 2007

Town Oil Company
16205 West 287th St.
Paola, KS 66071

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 18 2008

CONSERVATION DIVISION
WICHITA, KS

RE: Notice of Intent To Drill
Baldwin Unit #G-4
825' FSL, 4420 FEL, Sec. 1-T15S-R20E
Douglas County

Dear Mr. Town,

Our records indicate that a domestic water well is located within approximately 512 feet of the referenced proposed location. Eastern Kansas Surface Casing Order #133,891-C for Area 2, paragraph 2 states, **"No well shall be drilled closer than 660 feet of an existing domestic or municipal water well without written owner notification, a copy of which must be attached to the drilling intent form during filing. Special casing and cementing requirements may be imposed in those areas producing fresh and usable water."**

Please provide us with a copy of the owner notification to further the processing of your notice of intent to drill. The records indicate this water well has a total depth of 91 feet and water level of 15 feet.

1-15-08

Sincerely,


Rick Hestermann
Production Department

NOTE:

cc: Steve Korf, District 3

Taylor Herman inspected this area(water well) and found that the water well is not a factor in intenting this well. It is beyond the required distance. Also we are changing the well # that we intended on 2-6-07 that was in question in your letter dated February 9, 2007. We are changing the well # from G-4 to F-4 and will enclose a copy of cancelled intent on Baldwin G-4.