

15-051-25264-00-00

RECEIVED  
10-24-2003  
OCT 24 2003

For KCC Use:  
Effective Date: 10-29-03  
District # 4  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form C-1  
December 2002  
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

KCC WICHITA

Expected Spud Date 11/11/03  
month day year

OPERATOR: License# 30606  
Name: Murfin Drilling Company, Inc.  
Address: 250 N. Water, Suite 300  
City/State/Zip: Wichita, KS 67202  
Contact Person: David Doyel  
Phone: 316-267-3241

CONTRACTOR: License# 30606  
Name: Murfin Drilling Company, Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> GWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Selsmic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<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 60' S & 40' E of  
C N/2 - S/2 Sec. 8 Twp. 11 S. R. 19  
 East  
 West  
1920 feet from  N /  S Line of Section  
2600 feet from  E /  W Line of Section

Is SECTION  Regular  Irregular?  
(Note: Locate well on the Section Plat on reverse side)  
County: Ellis  
Lease Name: Hall-Mick Well #: 2-8  
Field Name: Wildcat

Is this a Prorated / Spaced Field?  Yes  No  
Target Information(s): Lansing, Arbuckle  
Nearest Lease or unit boundary: 600' see attached unitization

Ground Surface Elevation: 2079 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: 700'  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 250'  
Length of Conductor Pipe required: N/A  
Projected Total Depth: 3700'  
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:  
 Well  Farm Pond Other  X  
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: 10/23/03 Signature of Operator or Agent: Shawna Dornelman Title: Agent

For KCC Use ONLY	
API # 15 -	<u>051-25264-00-00</u>
Conductor pipe required	<u>NONE</u> feet
Minimum surface pipe required	<u>200</u> feet per Alt. + (2)
Approved by:	<u>RSP 10-24-03</u>
This authorization expires:	<u>4-24-04</u>
(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 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: \_\_\_\_\_

8  
11  
190

**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- \_\_\_\_\_  
 Operator: Murfin Drilling Company, Inc.  
 Lease: Hall-Mick  
 Well Number: 2-8  
 Field: Wildcat  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: C - N/2 - S/2

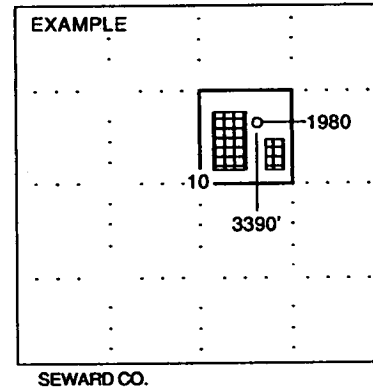
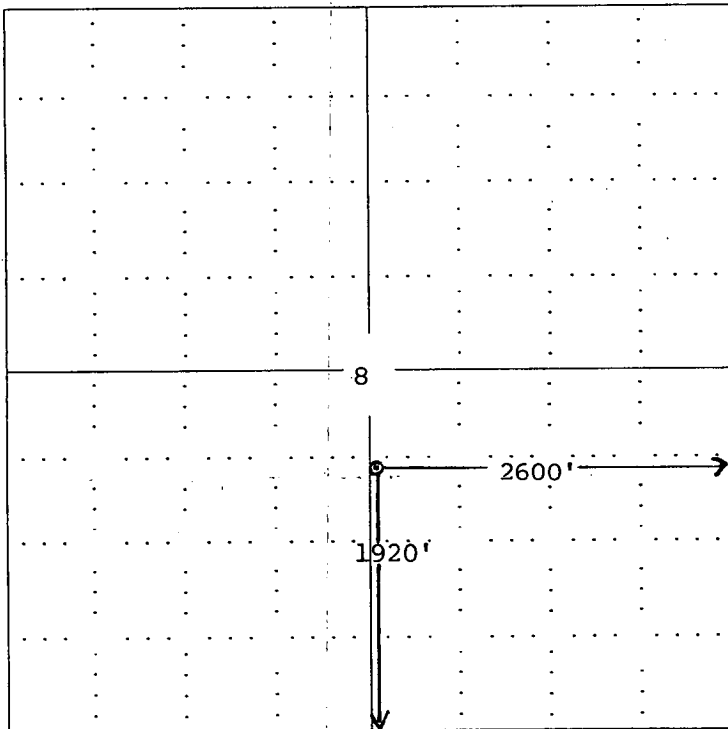
Location of Well: County: Ellis  
1920 feet from  N /  S Line of Section  
2600 feet from  E /  W Line of Section  
 Sec. 8 Twp. 11 S. R. 19  East  West

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.**

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

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OCT 16 2003  
STATE OF KANSAS  
ELLIS COUNTY  
This instrument was filed for record  
10:20 o'clock A.M. recorded in  
577 of Records page 712  
Lise J. Clark  
Fees \$16.<sup>00</sup> Register of Deeds

WHEREAS, the undersigned desire to pool and unitize all oil and gas leases described in Exhibit "A", insofar and only insofar as the same cover the following described lands, to-wit:

TOWNSHIP 11 SOUTH, RANGE 19 WEST  
SECTION 8: W/2 NW/4 SE/4 (20 acres)

TOWNSHIP 11 SOUTH, RANGE 19 WEST  
SECTION 8: E/2 NE/4 SW/4 (20 acres)

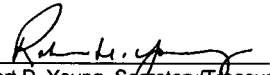
said lands, containing forty (40) acres, more or less, now being identified as "THE POOLED AND UNITIZED AREA" for production of oil and/or gas and associated hydrocarbons from all zones and formations.

NOW THEREFORE, the undersigned, MURFIN DRILLING COMPANY, INC., does hereby pool and unitize the above described lands into one pooled and unitized area, containing forty (40) acres, provided that said pooling and unitization is limited to production of oil and/or gas and associated hydrocarbons from all zones and formations.

The royalties accruing from any well located on said unit shall be prorated and paid to lessors of the various tracts included in the POOLED AND UNITIZED AREA in the same proportion that each tract of said lessor bears to the total of the POOLED AND UNITIZED AREA.

IN WITNESS WHEREOF, this DECLARATION OF POOLING AND UNITIZATION, was executed this 24th day of September, 2003.

MURFIN DRILLING COMPANY, INC.

  
Robert D. Young, Secretary/Treasurer

ACKNOWLEDGMENT

STATE OF Kansas )

)ss

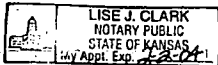
COUNTY OF Sedgwick )

Before me, the undersigned, a Notary Public, within and for said County and State, on this 24th day of September, 2003, personally appeared Robert D. Young, Secretary/Treasurer of Murfin Drilling Company, Inc., to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires:

  
Notary Public - Lise J. Clark



DECLARATION OF POOLING AND UNITIZATION

KNOWN ALL MEN BY THESE PRESENTS:

WHEREAS, MURFIN DRILLING COMPANY, INC. is the owner of the oil and gas leases on Exhibit "A", attached hereto and made a part hereof, insofar as said leases cover the following lands in Ellis County, Kansas as described herein to-wit:

TOWNSHIP 11 SOUTH - RANGE 19 WEST  
SECTION 8: N/2 SE/4  
SECTION 8: SW/4  
Ellis County, Kansas

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KCC WICHITA



WHEREAS, the oil and gas lease numbered 1, described in Exhibit "A" contains a pooling and unitization clause which states:

"Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgement it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas and other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in conveyance records of the County in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."

Signed \_\_\_\_\_  
Notary \_\_\_\_\_  
In Presence \_\_\_\_\_  
Municipal \_\_\_\_\_  
Checked \_\_\_\_\_

WHEREAS, the oil and gas lease, numbered 2 described in Exhibit "A" contains a pooling and unitization clause which states:

"Lessee, at its option, is hereby given the right and power to pool or combine into one or more units of land covered by this lease, or any portion thereof, with other land covered by another lease, or leases adjoining same or in the vicinity thereof, when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land, such pooling to be of tracts adjoining same or in the vicinity thereof as to form a compact unit or units, and to be in a unit or units not exceeding 43 acres each in the event of an oil well, or into a unit or units not exceeding 660 acres each in the event of a gas and/or condensate or distillate well. Lessee shall execute in writing and file for record in the county in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved."

Murfin Drilg. (Env.)

EXHIBIT 'A'

attached to and made a part of that certain Declaration of Pooling and Unitization

LEASE #1

LESSOR: Herman J. Mick & Lenora E. Mick  
LESSEE: J. Fred Hambricht  
LEASE DATE: January 17, 2001  
DESCRIPTION: Township 11 South - Range 19 West  
Section 8: SW/4  
Ellis County, Kansas  
RECORDING DATA: Book 499, Page 835

LEASE #2

LESSOR: T. Warren Hall Revocable Trust  
T. Warren Hall, Trustee  
LESSEE: Murfin Drilling Company, Inc.  
LEASE DATE: October 3, 2002  
DESCRIPTION: Township 11: South - Range 19 West  
Section 8: N/2 SE/4  
Ellis County, Kansas  
RECORDING DATA: Book 542, Page 132