

For KCC Use: 10.13.02  
 Effective Date: \_\_\_\_\_  
 District # \_\_\_\_\_  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 September 1999

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

RECEIVED  
 KANSAS CORP COMM  
 10-8-02  
 2007 OCT 8 14:03

Expected Spud Date 10 23 02  
 month day year

Spot NE NE SW NW Sec. 25 Twp. 16 S. R. 26  East  West  
1440 feet from N (circle one) Line of Section  
1610 feet from W (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

OPERATOR: License# 30742 ✓  
 Name: Palomino Petroleum, Inc.  
 Address: 4924 SE 84th St.  
 City/State/Zip: Newton, KS 67114-8827  
 Contact Person: Klee R. Watchous  
 Phone: (316) 799-1000

(Note: Locate well on the Section Plat on reverse side)  
 County: Ness  
 Lease Name: Marguerite Stutz Well #: 1  
 Field Name: None (Wildcat)

CONTRACTOR: License# 5929 ✓  
 Name: Duke Drilling Co., Inc.

Is this a Prorated / Spaced Field?  Yes  No  
 Target Information(s): Miss.

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

Nearest Lease or unit boundary: 1030  
 Ground Surface Elevation: 2603 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: 1200

Surface Pipe by Alternate: 1  2  
 Length of Surface Pipe Planned to be set: 200+

Length of Conductor Pipe required: None  
 Projected Total Depth: 4550

Producing Formation Target: Miss.  
 Water Source for Drilling Operations:  
 Well  Farm Pond  Other

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

DWR Permit #: \_\_\_\_\_  
 (Note: Apply for Permit with DWR )

Directional, Deviated or Horizontal wellbore?  Yes  No  
 If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

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. 55-101, 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. *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: 10/7/02 Signature of Operator or Agent: Klee R. Watchous Title: President

For KCC Use ONLY  
 API # 15 - 135.24199-00.00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200 feet per Alt.  (2)  
 Approved by: RJP 10.8.02  
 This authorization expires: 4.8.03  
 (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.

25  
 16  
 26W

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

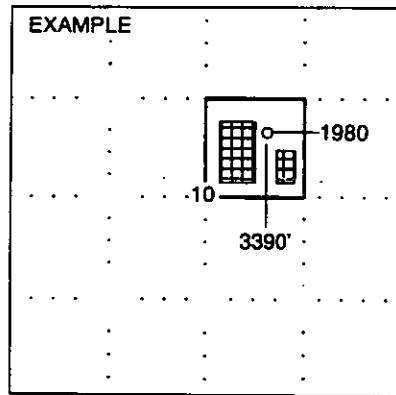
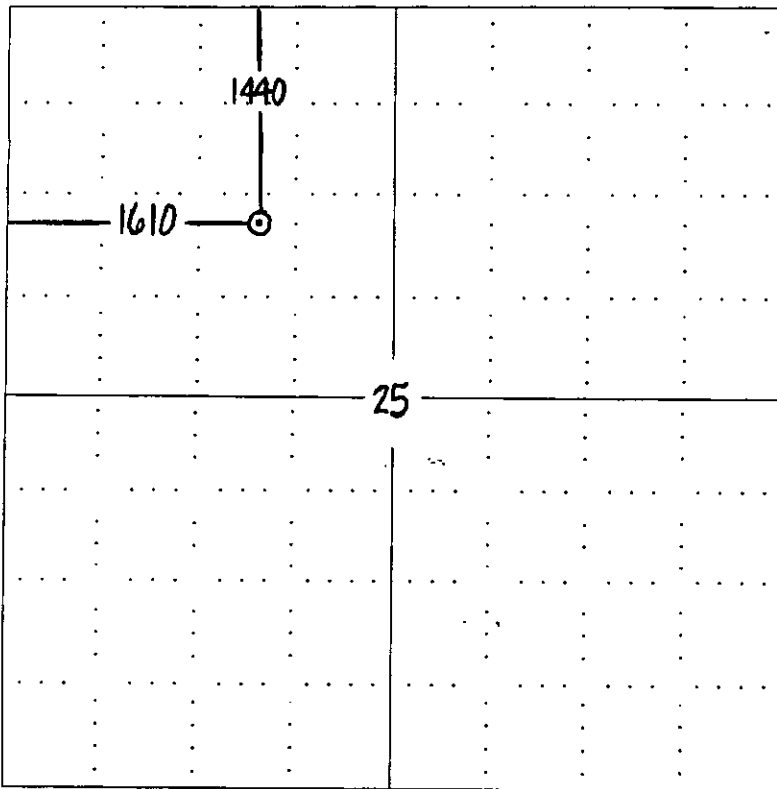
*If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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: \_\_\_\_\_  
Lease: \_\_\_\_\_  
Well Number: \_\_\_\_\_  
Field: \_\_\_\_\_  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: \_\_\_\_\_

Location of Well: County: \_\_\_\_\_  
\_\_\_\_\_ feet from S / N (circle one) Line of Section  
\_\_\_\_\_ feet from E / W (circle one) Line of Section  
Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  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.**

**NESS 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.
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).