

OWWO

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JUN 07 2004

Form C-1

September 1999

Form must be Typed

Form must be Signed

All blanks must be Filled

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 6.13.04
District #: 2
SGA? Yes No

Expected Spud Date: June 30 2004
month day year

Spot: E/2 SB Sec. 17 Twp. 21 S. R. 10
1255 feet from S (circle one) Line of Section
710 feet from E (circle one) Line of Section
Is SECTION X Regular Irregular?

OPERATOR: License# 5210
Name: Lebsack Oil Production, Inc.
Address: P.O. Box 489
City/State/Zip: Hays, Ks. 67601
Contact Person: Wayne Lebsack
Phone: 620-938-2396

(Note: Locate well on the Section Plat on reverse side)
County: Rice
Lease Name: Flora Well # 2

CONTRACTOR: License# 5142
Name: Sterling Drilling Co

Field Name: Boy
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Winfield

- | | | | |
|--|-----------------------------------|---|--|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Infield | <input checked="" type="checkbox"/> Mud Rotary |
| <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| <input checked="" type="checkbox"/> OWWO | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Seismic; # of Holes | <input type="checkbox"/> Other | | |
| <input type="checkbox"/> Other | | | |

Nearest Lease or unit boundary: 710
Ground Surface Elevation: 1710 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 N/A
Depth to bottom of usable water: 180 N/A

If OWWO: old well information as follows:
Operator: Lebsack Oil Production
Well Name: Flora # 2
Original Completion Date: 9/7/76 Original True Depth: 2620

Surface Pipe by Alternate: X 1 2
Length of Surface Pipe ~~Planned to be set:~~ 816 ft. 216'
Length of Conductor Pipe required: NONE
Projected Total Depth: 1600 ft.
Formation at Total Depth: Fort Riley

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

Water Source for Drilling Operations: City of Raymond
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. 55-101, 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: 6-5-04 Signature of Operator or Agent: Rex Curtis Title: Sec-Treas.

For KCC Use ONLY

API # 15 - 159.20641-00-01

Conductor pipe required NONE feet

Minimum surface pipe required 216 feet per Alt. 1

Approved by: RJP 6-8-04

This authorization expires: 12-8-04
(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.

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

17
21
10W

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KCC WICHITA

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

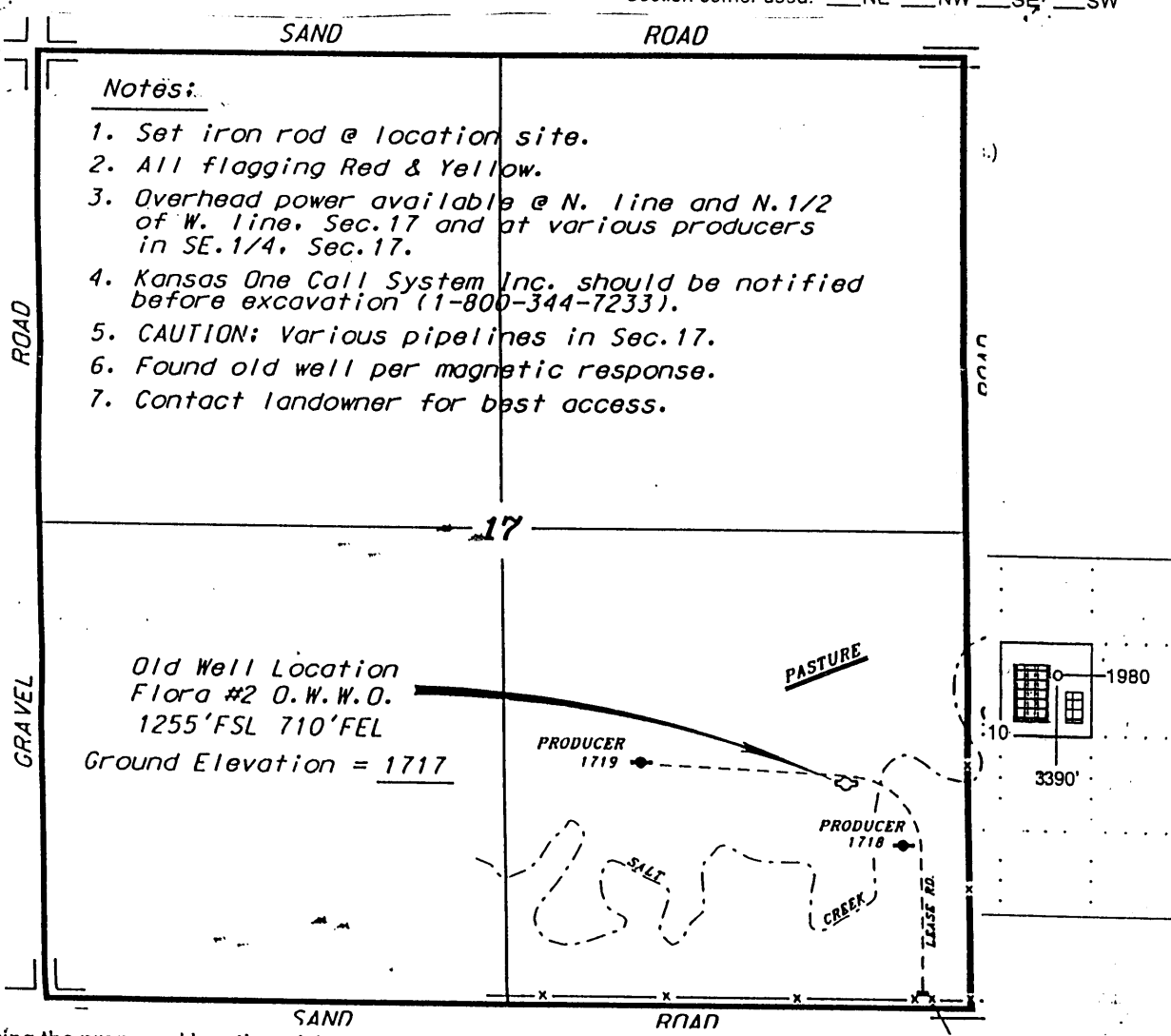
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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: Lebsack Oil Production, Inc.
 Lease: Flora Yptwn
 Well Number: No. 2
 Field: Boy
 Number of Acres attributable to well: 160
 QTR / QTR / QTR of acreage: SE/4

Location of Well: County: Rice
 _____ 1255 feet from S / N (circle one) Line of Section
 _____ 710 feet from E / W (circle one) Line of Section
 Sec. 17 Twp. 21 S. R. 10 East West

Is Section Regular or _____ Irregular

If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW



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).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
JOHN WINE, COMMISSIONER
ROBERT E. KREHBIEL, COMMISSIONER

June 3, 2004

Mr. Wayne Lebsack
Lebsack Oil Production, Inc.
PO Box 489
Hays, KS 67601

Re: Drilling Pit Application
Flora Lease Well No. 2
SE/4 Sec. 17-21S-10W
Rice County, Kansas

Dear Mr. Lebsack:

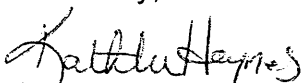
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and lined with bentonite. The fluids are to be removed from the reserve pit within 72 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, Surface Pond Waste Transfer, within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathleen Haynes

Environmental Protection and Remediation Department

cc: Doug Louis