

For KCC Use: 0.26-04
 Effective Date: _____
 District # 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

RECEIVED

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

JUN 07 2004

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

KCC WICHITA

Expected Spud Date June 18, 2004
 month day year

Spot _____ East
 NW NE SW Sec. 27 Twp. 28 S. R. 8 West

OPERATOR: License# 5254 0130/05
 Name: MIDCO Exploration, Inc.
 Address: 414 Plaza Drive, Suite 204
 City/State/Zip: Westmont, IL 60559
 Contact Person: Earl J. Joyce, Jr.
 Phone: (630) 655-2198

_____ feet from N / S Line of Section
 _____ feet from E / W Line of Section

Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 5929 0130/05
 Name: Duke Drilling

County: Kingman
 Lease Name: Neville Well #: 2
 Field Name: Garlisch

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippi

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 1655 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: 150

Depth to bottom of usable water: 180

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 250

Length of Conductor Pipe required: None

Projected Total Depth: 4500

Formation at Total Depth: Viola

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 checked="" type="checkbox"/> Infield |
| <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. |
| <input type="checkbox"/> OWO | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat |
| <input type="checkbox"/> Seismic; # of Holes _____ | <input type="checkbox"/> Other _____ | <input type="checkbox"/> Mud Rotary |
| <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 #: _____

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: 6/4/2004 Signature of Operator or Agent: [Signature] Title: Vice-President

For KCC Use ONLY

API # 15 - 095-21894-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. ①

Approved by RJP 6-21-04

This authorization expires: 12-21-04
 (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.
- 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: _____

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

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28
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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW JUN 07 2004

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

KCC WICHITA

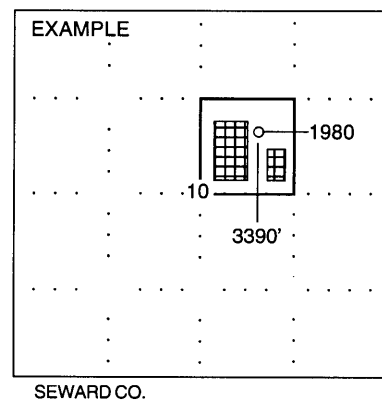
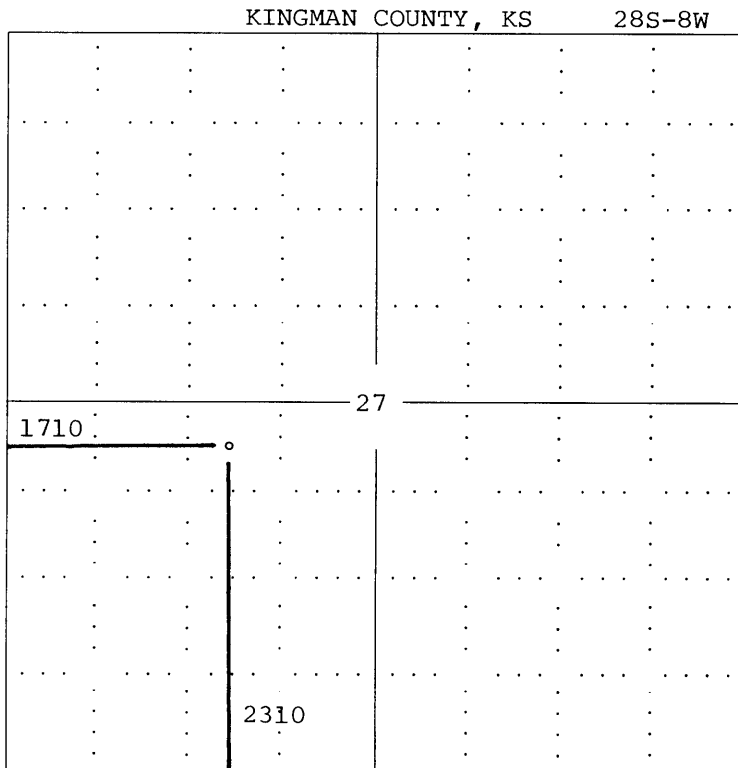
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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.

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: (C0-7 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 21, 2004

Mr. Earl J. Joyce, Jr.
MIDCO Exploration, Inc.
414 Plaza Dr, Ste 204
Westmont, IL 60559

Re: Drilling Pit Application
Neville Lease Well No. 2
SW/4 Sec. 27-28S-08W
Kingman County, Kansas

Dear Mr. Joyce:

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 **all pits must be lined with bentonite**. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again 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