For KCC Use:

Effective Date:

District #

SGA?

Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

month day year	Spot
OPERATOR: License# 32446 4/30 05	990' feet from V N / S Line of Section feet from V E / W Line of Section
Address: 13727 NOEL RD., STE. 500 City/State/Zip: DALLAS, TX 75240	Is SECTIONRegularIrregular? (Note: Locate well on the Section Plat on reverse side)
Contact Person: GALE MCPHERSON	County: HARPER
Phone: 972-628-1659	Lease Name: WASHBON Well #: 3-19
CONTRACTOR: License# 5123 6 30 04 Name: PICKRELL DRILLING COMPANY, INC.	Field Name: SPIVEY-GROBBS-BASIL Is this a Prorated / Spaced Field? MISSISSIPPLAN
	Target Formation(s): MISSISSIPPIAN Nearest Lease or unit boundary: 330' to the North
Well Dafiled For: Well Class: Type Equipment:	Ground Surface Elevation: 1626' feet MSL
Oil Enh Rec 🗸 Infield 🗸 Mud Rotary	Water well within one-quarter mile:
Gas Storage Pool Ext. Air Rotary	Public water supply well within one mile:
OWWO Disposal Wildcat Cable	Depth to bottom of fresh water: 156' 200
Seismic;# of Holes Other	Depth to bottom of usable water: 488 220
Other	Surface Pipe by Alternate: 🛛 1 📗 2
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 250'
Operator:	Length of Conductor Pipe required:
Well Name:	Projected Total Depth: 4500'
Original Completion Date:Original Total Depth:	Formation at Total Depth: MISSISSIPPIAN
Directional Deviated or Harizantal wallbarra	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes ✓ No	Well Farm Pond Other
If Yes, true vertical depth: Bottom Hole Location:	DWR Permit #: TO BE FILED
KCC DKT #:	(Note: Apply for Permit with DWR)
NOO DITT II.	Will Cores be taken? Yes ✓ No
	If Yes, proposed zone: RECEIVED KANSAS CORPORATION COMMISSION
AFFI	DAVII
The undersigned hereby affirms that the drilling, completion and eventual pl	ugging of this well will comply with K.S.A. 55 et. seq. ILIN 1 5 2004
It is agreed that the following minimum requirements will be met:	3011 - 3 2001
 Notify the appropriate district office <i>prior</i> to spudding of well; A copy of the approved notice of intent to drill <i>shall be</i> posted on each drilling rig; The minimum amount of surface pipe as specified below <i>shall be set</i> by circulating cement to the top; in all cases surface pipe <i>shall be set</i> through all unconsolidated materials plus a minimum of 20 feet into the underlying formation. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary <i>prior to plugging</i>; The appropriate district office will be notified before well is either plugged or production casing is cemented in; If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within <i>120 days</i> 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. <i>In all cases, NOTIFY district office</i> prior to any cementing. 	
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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

JUN 1 5 2004

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

CONSERVATION DIVISION

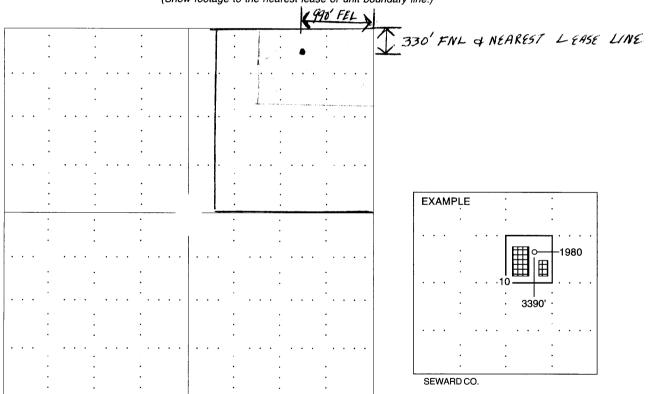
WICHITA, KS

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	Location of Well: County: HARPER
Operator: MERIT ENERGY COMPANY	330' feet from ✓ N / ☐ S Line of Section
Lease: WASHBON	990' feet from VE / W Line of Section
Well Number: 3-19 Field: SPIVEY-GRUBBS-BASIL	Sec. 19 Twp. 31S S. R. 8W ☐ East ✓ West
Number of Acres attributable to well: 40	Is Section: ✓ Regular or Irregular
QTR / QTR / QTR of acreage: CNW - NE - NE	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 locaton.

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 16, 2004

Ms. Gale McPherson Merit Energy Company 13727 Noel Rd, Ste 500 Dallas, TX 75240

Re:

Drilling Pit Application

Washbon Lease Well No. 3-19

NE/4 Sec. 19-31S-08W Harper County, Kansas

Dear Ms. McPherson:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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