**NOTICE OF INTENT TO DRILL**

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

**Expected Spud Date:** January 22, 2004

**OPERATOR:** License# 3532

Name: CMMX, Inc.
Address: 150 N. Main, Suite 1026
City/State/Zip: Wichita, KS 67202
Contact Person: Douglas H. McGinness II
Phone: 316-269-9052

**CONTRACTOR:** License# 5929

Name: Duke Drilling Company, Inc.

Well Drilled for: Oil
Well Class: Infield
Type Equipment: Mud Rotary

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

Directional, Deviated or Horizontal wellbore? Yes
If Yes, true vertical depth:
Bottom Hole Location:

KCC DKT #:

**Spot**

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<th>S. R.</th>
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<td>32</td>
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**Description:**

- Footage: 1980 feet from N / S Line of Section
- Footage: 660 feet from E / W Line of Section
- Is SECTION: Regular

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

**County:** Barber

**Lease Name:** Krehbiel-Nichols

**Field Name:** Glibert

**Is this a Prorated / Spaced Field?** Yes

**Target Formation(s):** Elgin, Snyderville, Douglas, KC, Mississippi, Vioa and Simpson

**Nearest Lease or unit boundary:** 330 feet

**Ground Surface Elevation:** 1435.3

**Depth to bottom of fresh water:** 150

**Water well within one-quarter mile:**

**Public water supply well within one mile:**

**Depth to bottom of usable water:** 180

**Surface Pipe by Alternate:** 1

**Length of Surface Pipe Planned to be set:** 320

**Length of Conductor Pipe required:** None

**Projected Total Depth:** 4700

**Formation at Total Depth:** Simpson

**Water Source for Drilling Operations:**

- Well: Farm Pond
- Other: 

**DWR Permit #:**

(NOTE: Apply for Permit with DWR)

Will Cores be taken? Yes
If Yes, proposed zone:

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**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: 1/8/04

Signature of Operator or Agent: [Signature]
Title: President

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 worker 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:

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For KCC Use ONLY

API # 15: 007-22792-00.00
Conductor pipe required: NONE
Approved by: RSP 7-19-04

Minimum surface pipe required: 1 feet per Alt

This authorization expires: 7-19-04

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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 ____________________________ Location of Well: County: Barber
Operator: CMX, Inc. 1980 __________ feet from √ N / S Line of Section
Lease: Krehbiel-Nichols 660 __________ feet from √ E / W Line of Section
Well Number: ________________ Sec. __________ Twp. __________ S. R. __________
Field: Gilbert East √ West

Number of Acres attributable to well: __________________________ Is Section: √ Regular or □ Irregular
QTR / QTR / QTR of acreage: C - SE - 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 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).
January 13, 2004

Mr. Douglas H. McGinness II
CMX, Inc.
150 N. Main Ste 1026
Wichita, KS 67202

Re: Drilling Pit Application
Krehbiel-Nichols Lease Well No. 1
NE/4 Sec. 24-32S-12W
Barber County, Kansas

Dear Mr. McGinness:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

Should a haul-off pit be necessary, please complete the enclosed CDP-1. This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,

[Signature]
Kathleen Haynes
Environmental Protection and Remediation Department

Cc: S Durrant