NOTICE OF INTENT TO DRILL

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

For KCC Use: 12-13-03
Effective Date: 12-13-03
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OPERATOR: License# 32302
Name: Key Gas Corp.
Address: 155 N. Market, Suite 900
City/State/Zip: Wichita, KS 67202
Contact Person: Rod Andersen
Phone: (316) 265-2270
CONTRACTOR: License# 32302
Name: Key Gas Corp.

Well Drilled For: Gas
Well Class: Storage
Type Equipment: Pool Ext.

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: Kansas Corporation Commission
KCC DKT #: DEC 03 2003

SPOT:

Sec. 23 Twp. 20 S R. 11 X

Is SECTION X Regular Irregular?

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

County: Barton
Lease Name: Reiser Chase Silica
Well #: 2
Field Name: Chase

Target Information(s): Chase

Nearest Lease or unit boundary: 1750 feet MSL
Water well within one-quarter mile:
Public water supply well within one mile:
Depth to bottom of fresh water:
Depth to bottom of usable water:
Surface Pipe by Alternate: 250' Min
Length of Surface Pipe Planned to be:
Length of Conductor Pipe required:
Projected Total Depth:
Formation at Total Depth:
Water Source for Drilling Operations:
None

Will Cores be taken?
Yes No

Conspiracy Division:
Wichita, KS

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et seq.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 12/1/03 Signature of Operator or Agent: Chad Chinn Title: Geologist

Remember to:
- File Drill Pit Application (form DCP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field production order;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Check box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent:
Date:

Mall 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: ____________________________
Operator: ________________________________
Lease: ________________________________
Well Number: ________________________________
Field: ________________________________
Number of Acres attributable to well: ________________________________
QTR / QTR / QTR of acreage: ________________________________

Location of Well:
County: ________________________________

feet from N / S Line of Section
feet from E / W 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: (CG-7 for oil wells; CG-8 for gas wells).
December 3, 2003

Mr. Rod Anderson  
Key Gas Corp.  
155 N. Market Ste 900  
Wichita, KS 67202

RE: Drilling Pit Application  
Reiser Lease Well No. 2  
NE/4 Sec. 23-20S-11W  
Barton County, Kansas

Dear Mr. Anderson:

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 the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical 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 (785) 625-0550 when the fluids have been removed. Also, please file the enclosed CDP-5 form, 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: H Deines