KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencement.

RECEIVED
FEB 2 3 2004
KCC WICHITA

Expected Spud Date: Feb 24, 2004

Operator: POPP OPERATING, INC.
Name: Rickey Popp
Phone: 620-786-5514
License#: 32325
Address: PO Box 187
City/State/Zip: Hoisington, KS 67544
Contact Person: Rickey Popp
License#: 31548
Name: Discovery Drig

Well Drilled For:
- Oil
- Gas
- Water
- Seismic
- Storage
- Enr Rec

Well Class:
- Infield
- Pool Ext.
- Wildcat
- Other

Type Equipment:
- Mud Rotary
- Air Rotary
- Cable

20 ft.
1685
1552

Spot SE NW Sec 1
11
east
20

5001'

2301'

5001'

7441 feet

West

Irregular

Regular

11-10

Fanning

Chase-Silica

Arb

Arb

5001'

35001'

15521'

35001'

15521'

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. 55-101, 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: 2-20-04
Signature of Operator or Agent: [Signature]
Title: [Title]

For KCC Use ONLY
API # 9-24788.00.00
Conductor pipe required: None
Minimum surface pipe required: 250 feet per Acre
Approved by: [Approval]
This authorization expires: 8/23/04

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
Operator:
Lease:
Well Number:
Field:
Number of Acres attributable to well:

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.

EXAMPLE

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).
February 23, 2004

Mr. Rickey Popp
Popp Operating, Inc.
PO Box 187
Hoisington, KS 67544

RE:  Drilling Pit Application
Panning Lease Well No. 10
SE/4 Sec. 11-20S-11W
Barton County, Kansas

Dear Mr. Popp:

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