NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 8-30-04
District #: 1

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

CONTRACTOR: License #: 33436
Name: Forrest Energy, LLC

Expected Spud Date: 9 05 04

Well Drilled For: ☑ Gas ☑ Storage ☑ WO/D ☑ Seismic: ☑ Other:
Well Class: ☑ Infield ☑ Pool Ext. ☑ Wildcat ☑ Cable
☐ Other:
Type Equipment: ☑ Mud Rotary ☑ Air Rotary

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

Directional, Deviated or Horizontal wellbore? ☑ Yes ☑ No
Bottom Hole Location:
KCC DKT #: RECEIVED AUG 23 2004

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Spot C NW SW Sec 27 Twp 24 S R 12
1980 feet from N S Line of Section
660 feet from E W Line of Section

Is SECTION ☑ Regular ☑ Irregular?

County: Stafford
Lease Name: Budde
Well #: 1
Field Name: Lansing

Is this a Prorated / Shared Field? ☑ Yes ☑ No
Target Information(s):
Nearest Lease or unit boundary: 660
Ground Surface Elevation: 1880 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: ☑ 1 ☑ 2
Length of Surface Pipe Planned to be set:
Length of conductor pipe required:

Projected Total Depth: 4100

Formation at Total Depth:
Water source for Drilling Operations:
☐ Well ☑ Farm Pond ☑ Other

Will Cores be taken? ☑ Yes ☑ No

DWR Permit #:
(Note: Apply for Permit with DWR)

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

Date: 8/30/04 Signature of Operator or Agent: Rod Andersen Title: Geologist

Remember to:
- File Drill Plan 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 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: 7-27-04

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: ________________________
QTR / QTR / QTR of acreage: _____________________________

Location of Well: County: _________________________________
feet from _____ S Line of Section
feet from _____ E 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).
August 24, 2004

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

RE: Drilling Pit Application
   Budde Lease Well No. 1
   SW/4 Sec. 27-24S-12W
   Stafford 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 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 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 (620) 225-8888 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,

[Kathy Haynes]
Environmental Protection and Remediation Department

cc: S Durrant