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

Expected Spud Date: August 28, 2004

OPERATOR: License# 9953
Name: Harris Oil and Gas Company
Address: 1125 Seventeenth Street, Suite 2290
Denver, CO 80202-2037
City/State/Zip: Contact: Person: Bud Harris
Phone: 303-293-8838
CONTRACTOR: License# 5142
Name: Sterling Drilling Company

Well Drilled For:  
Oil  ☑  Enh Rec  ☑  Infield  ☑  Mud Rotary
Gas  ☑  Storage  ☑  Pool Ext.  ☑  Air Rotary
OWO  ☑  Disposal  ☑  Wildcat  ☑  Cable
Seismic:  ☑  # of Holes: Other

Well Class: Type Equipment:

Will this be a Regular, Irregular, or Spaced Well? Yes ☑ No ☑

Lease Name: M & M Fischer
Field Name: Drach
Is this a Prorated Lease? Yes ☑ No ☑
Target Formation(s): Aruckle

Nearest Lease or Unit boundary: 330

Ground Surface Elevation: 1886 feet MSL

Water well within one-quarter mile: Yes ☑ No ☑
Public water supply well within one mile: Yes ☑ No ☑

Well depth: 260 feet

Surface Pipe by Alternate: Yes ☑ No ☑
Length of Surface Pipe Planned to be set: 800

Length of Conductor Pipe required: None

Projected Total Depth: 3560

Formation at Total Depth: Aruckle

Water Source for Drilling Operations:

Well ☑ Farm Pond ☑ Other ☑

DWR Permit #: Sterling Drilling Company will apply for

Will Cores be taken? Yes ☑ No ☑

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 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 a 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.

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

Date: 09/23/04 Signature of Operator or Agent: Title: VP Sterling Drilling

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 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.

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: Harris Oil and Gas Company
Lease: M & M Fischer
Well Number: 1-12
Field: Drach

Location of Well: County: Stafford
2310 feet from [ ] N / [ ] S Line of Section
1520 feet from [ ] E / [ ] W Line of Section
Sec. 12 Twp. 22 S. R. 13 [ ] 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.)

RECEIVED
AUG 24 2004
KCC WICHITA

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. Bud Harris
Harris Oil and Gas Company
1125 Seventeenth St., Ste 2290
Denver, CO 80202-2037

RE: Drilling Pit Application
M & M Fischer Lease Well No. 1-12
NW/4 Sec. 12-22S-13W
Stafford County, Kansas

Dear Mr. Harris:

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