NOTICE OF INTENT TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing well

For KCC Use: 9-7-04

Effective Date: 9-7-04

District #: 1

SGA? Yes No

Expected Spud Date: SEPTEMBER 12 2004

OPERATOR: License # 3682

Name: SAMUEL GARY JR. & ASSOCIATES, INC.

Address: 1670 BROADWAY, SUITE 3300

City/State/Zip: DENVER, CO 80202

Contact Person: TOM FERTAL

Phone: (303) 831-4673

March 19, 2004

RECEIVED

AUG 30 2004

CONTRACTOR: License # 5929

Name: DUKE DRILLING CO

KCC WICHITA

Well Drilled For:

 Oil
 Gas
 OWWO
 Seismic:
 Other

Well Class:

 Oil
 Enr Rec
 Storage
 Disposal
 Infield
 Pool Ext
 Air Rotary
 Wildcat
 Cabic

Type Equipment:

 Mud Rotary
 Air Rotary

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, vertical depth:

Bottom Hole Location:

KCC DT#: ____________

Spot 180') NORTH OF CENTER

W2 - W2 - SE Sec. 31 Twp. 33 S. R. 20

1500 feet from N / S Line of Section

2310 feet from E / W Line of Section

Is SECTION __ X Regular ______ Irregular ______

(Note: Locate well on the Section Plat on Reverse Side)

County: COMANCHE

Lease Name: GIKK

Well #: 1-31

Field Name: WILDCAT

Is this a Prorated / Spaced Field?

Yes No

Target Formation(s): ARBUCKLE

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: EST 1775 feet MSL

Water well within one-quarter mile:

Yes No

Public water supply well within one mile:

Yes No

Depth to bottom of fresh water:

150

Depth to bottom of usable water:

180

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set:

650'

Length of Conductor pipe required:

NONE

Projected Total Depth:

6700'

Formation at Total Depth:

ARBUCKLE

Water Source for Drilling Operations:

Well
 Farm Pond
 Other X

DWR Permit:

(Note: Apply for Permit with DWR)

Will Cores Be Taken?

Yes No

If yes, proposed zone:

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 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.

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 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: AUGUST 26, 2004
Signature of Operator or Agent: 

Title: SENIOR GEOLOGIST

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.
- Well Not Drilled - Permit Expired

Signature of Operator or Agent: 

Date: 

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 ½ mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - ____________________________
Operator: SAMUEL GARY JR & ASSOCIATES, INC.
Lease: GIRK
Well Number: 1-31
Field: WILDCAT

Location of Well: County: COMANCHE
1500 feet from □ N / □ S Line of Section
2310 feet from □ E / □ W Line of Section
Sec. 31 Twp. 33 S. R. 20 □ East □ West

Is Section: □ Regular or □ Irregular

Number of Acres attributable to well: ____________________________
QTR / QTR / QTR of acreage: _______ - _______ - _______

**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.)

Comanche, Co.

R 20 W

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).
September 1, 2004

Mr. Tom Fertal
Samuel Gary Jr. & Associates, Inc.
1670 Broadway Ste 3300
Denver, CO  80202

RE: Drilling Pit Application
   Girr Lease Well No. 1-31
   SE/4 Sec. 31-33S-20W
   Comanche County, Kansas

Dear Mr. Fertal:

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 Hylene
Environmental Protection and Remediation Department

cc: S Durrant