KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 11-29-04
District # ___________________
SGA? Yes ☐ No ☐

Expected Spud Date December 1, 2004

OPERATOR:
License# 30742
Name: Palomino Petroleum, Inc.
Address: 4924 SE 84th St.
City/State/Zip: Newton, Kansas 67114-8827
Contact Person: Klee R. Watchous
Phone: (316) 799-1000

CONTRACTOR:
License# 5123
Name: Pickrell Drilling Co., Inc.

Well Drilled For: Oil ☐ Gas ☐ OWO ☐ Seismic ☐ Other ☐
Well Class: Enh Rec ☐ Storage ☐ Disposal ☐ Wildcat ☐ Other ☐
Equipment: Infield ☐ Pool Ext. ☐ Air Rotary ☐ Cable ☐


Is SECTION          Regular ☐ Irregular ☐

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

County: Ness
Lease Name: Keilman Unit
Well #: 1
Field Name: None (Wildcat)
Is this a Prorated / Spaced Field? Yes ☐ No ☐
Target Formation(s): Cherokee Sand

Nearest Lease or unit boundary: 1150 feet
Ground Surface Elevation: 2451 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: 180 feet
Depth to bottom of usable water: 1060 feet
Surface Pipe by Alternate: ☐ 1 ☐ 2
Length of Surface Pipe Planned to be: 200+ feet
Length of Conductor Pipe required: None
Projected Total Depth: 4500 feet
Formation at Total Depth: Mississippian
Water Source for Drilling Operations: ☐ Well ☐ Farm Pond ☐ Other

DWR Permit #: ☐
Will Cores be taken? ☐ Yes ☐ No ☐
If Yes, proposed zone:

CONSERVATION DIVISION
WICHITA, KS

NOV 2 4 2004

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 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. 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 the 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: November 24, 2004
Signature of Operator or Agent: ____________________________
Title: President

Forg KCC Use ONLY
API # 15 - 135-24320-00-00
Conductor pipe required None ☐
Minimum surface pipe required 2000 feet per Alt. ☐

This authorization expires: S-24-05 (This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent: ____________________________

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: Palominio Petroleum, Inc.
Lease: Keilman Unit
Well Number: 1
Field: None (Wildcat)
Number of Acres attributable to well: ____________________________
QTR / QTR / QTR of acreage: ____________________________ E/2

Location of Well: County: Ness

2480 feet from N / S Line of Section
1150 feet from E / W Line of Section
Sec. 30 Twp. 17 S. R. 24
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.
NESS CO.

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).