**NOTICE OF INTENT TO DRILL**

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

**KANSAS CORPORATION COMMISSION**

**OIL & GAS CONSERVATION DIVISION**

**Effective Date:**

10-31-04

For KCC Use:

District #:

SGA? Yes No

Expected Spud Date:

November 10 2004

OPERATOR:

License# 6039

Name: L.D. DRILLING, INC.

Address: 7 SW 26TH AVENUE

GREAT BEND, KS. 67530

City/State/Zip: L.D. DAVIS

Phone: 620 793-3051

CONTRACTOR:

License# UNKNOWN

Name: Rig Availability

Well Drilled For:

- Oil
- Gas
- OWO
- Seismic
- Other

Well Class:

- Enr Rec
- Infield
- Storage
- Disposal
- Wildcat
- Holes
- Other

Type Equipment:

- Mud Rotary
- Pool Ext.
- Air Rotary
- Cable

If OWO:

- Old Well information as follows:

  Operator:
  
  Well Name:
  
  Original Completion Date:
  
  Original Total Depth:

  Directional, Deviated or Horizontal well?

  Yes No

  If Yes, true vertical depth:

  KCC DKT #:

If OW:

- Well:
  
  Oil Storage
  
  Gas Storage
  
  OWO Storage
  
  Seismic
  
  Disposal
  
  Wildcat
  
  Other
  
  Holes

- Type Equipment:
  
  Mud Rotary
  
  Air Rotary
  
  Cable

Well is located at:

- 900 N 640 E of SW NE NW

Sec. 21

Twp. 21

S. R. 13

East

1690

feet from N S Line of Section

feet from E W Line of Section

Is SECTION Regular Irregular

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

County: STAFFORD

Lease Name: SAMUEL

Well #: 1

Field Name: SCHAFFER-ROTHGARN

Is this a Prorated / Spaced Field?

Yes No

Target Formation(s):

LKCJARBUCKLE

Nearest Lease or unit boundary:

900'

Ground Surface Elevation:

1695

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:

210'

Depth to bottom of usable water:

260'

Surface Pipe by Alternate:

1 2

325'

Length of Surface Pipe Planned to be set:

NONE

Length of Conductor Pipe required:

Projected Total Depth:

3650'

Formation at Total Depth:

ARBUCKLE

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #:

(Note: Apply for Permit with OWR)

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 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: 20TH OCTOBER 2004

Signature of Operator or Agent: SEC/TREAS

Remember to:

- File Drill Permit 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 drilling report (CP-4) after drilling 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 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 -
Operator: L.D. DRILLING, INC.
Lease: SAMUEL
Well Number: 1
Field: SHAFFER-ROTHGARN
Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: SW . NE . NW

Location of Well: County: STAFFORD
900 feet from N / S Line of Section
1690 feet from E / W Line of Section
Sec. 21 Twp. 21 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.)

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).
October 26, 2004

Mr. L.D. Davis
L.D. Drilling, Inc.
7 SW 26th Ave.
Great Bend, KS 67530

RE: Drilling Pit Application
    Samuel Lease Well No. 1
    NW/4 Sec. 21-21S-13W
    Stafford County, Kansas

Dear Mr. Davis:

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