KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Must be approved by KCC 56a (5 days prior to commencing well)

For KCC Use Only
Effective Date: 1-25-2005

Spud Date: January 27, 2005

Spud Spot
Well

W/3
6600

OK

W. 32
Line of Section
9-15
R. 36
Line of Section
S. 15

In Section: X

Regular

Tract

(Nearest Lots on the Slat on which this tract is located)

County: Haskell

Legal Description

Gulf South

This is a Fostered / Spaced Project

Target Information: Mississippian

Nearest Lease or Unit boundary: 6600 SFL, 6601 SFL

Ground Surface Elevation: 1664

Well and well one-quarter mile: Water and water

Surface Pipe by Alternate: 2

Water and well one-quarter mile: Public water supply well within one mile: Depth in bottom of fresh water: 3000

Length of Surface Pipe Planned to be set: 2

Length of Conductor Pipe required: None

Projected Total Depth: 5600

Formation at Total Depth: Mississippian

Water Source for Drilling Operations: None

DWF Permit #

Will Curb be taken?

Yes No

If Yes, proposed zone:

Received

KANSAS CORPORATION COMMISSION

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et seq.

JAN 19 2005

All the following 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 herein shall be set by circulating cement to the top of all casing or surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is in dry holes, an agreement between the operator and the district office on the length and placement of necessary plugs to be drilled.
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an AMENDMENT II COMPLETION, production pipe shall be cemented from bottom any water- or surface water to surface well at least 120 days of spud date.

Or pursuant to Appendix 5 - Eastern Kansas surface casing order #1332, 1C-0, which applies to the KCC District 3 area, alternate 6 cementing must be completed within 30 days of the spud date or the well shall not 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: 01/19/05

Signature of Operator or Agent: Barbara J. Hale P
Title: Regulatory Analyst

For KCC Use Only
API 15 - 851-21570.000

Conductor pipe required: NONE

Minimum pipe size required: 7 5/8

Approved by: RSP 1.20.2005

This authorization void if drilling not started within 30 days of effective date.

Spud Date: Agent:

Hall to: KCC - Conservation Division, 130 S. Market - Room 2079, 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 relation to other wells producing from the common source of supply. Please show all the wells 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.

SURFACE LOC: 2540' FEL & 660' PSL

Location of Well: County: Haskell

Acre No. 15 081/21570:00:00
Operator: Chesapeake Operating, Inc.
Lease: HEP Wright
Well Number: 3-23
Field: South Eubank

Number of Acres attributable to well: 40
QTR / QTR / QTR of acreage:

If Section is Irregular, locate well from nearest corner boundary. Section corner used:

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest mile or unit boundary line.)

Example:

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 nos., i.e. 1 section, 1 section with 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: (CG-7 for oil wells; CG-8 for gas wells).
NOTICE TO OPERATORS DRILLING IN THE PANOMA-COUNCIL GROVE GAS POOL SPACED AREA

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1978, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

"The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, is the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted."

1. "No dual completions between the Chase (Hugoton), and Council Grove Formations will be permitted for future wells drilled."

2. "Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well."

3. "The production casing of all new Council Grove wells should be cemented with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 50 feet above the Chase Formation."

4. "The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the space area."

5. "The cement coverage heretofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log."

A copy of this survey and the cement ticket(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the well's spud date.

Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division's Production Department at (316) 337-6200.

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67212-3802
Phone 316 337-6200 Fax 316 337-6771 www.AQc.state.KS.us