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

For KCC Use:

Effective Date: 4-30-05
District #:
SGA? Yes No

Expected Spud Date: 06/19/05

OPERATOR: License # 5447 (L 30-05)
Name: Muffler Drilling Co., Inc.
Address: 720 Dove Dr.
City/State/Zip: Liberal, KS 67901
Contact Person: Dale Center
Phone: (620) 682-4545

CONTRACTOR: License # 5293
Name: Muffler Drilling Co., Inc.
Address: 720 Dove Dr.
City/State/Zip: Liberal, KS 67901
Contact Person: Dale Center
Phone: (620) 682-4545

Contractor: KCC

RECEIVED
AUC 14-05

KCC WICHITA

This is a Prioritized Space Field

Target Formation(s): St. Louis

An alternate is not being used

General Surface Elevation 2800

Water well within one-quarter mile

Depth to bottom of fresh water

Surface Pipe by Alternate: 1 2

Wellswater supply well within one-mile

Date: April 11, 2005

Signature of Operator or Agent:

Remember to:

\[ \text{File Drill Plan Application (Form COP-1) with letter to Driller;} \]
\[ \text{File Completion Form ACO-1 within 120 days of spud date;} \]
\[ \text{File acreage dedication plan indicating field location options;} \]
\[ \text{Notify appropriate district office 45 hours prior to spudding or re-entry;} \]
\[ \text{Submit spudding report (OP-4) after spudding is completed;} \]
\[ \text{Obtain written approval before disposing of equilibrium-cut water;} \]
\[ \text{If this permit has expired (or authorization data is incorrect) please check the box below and return to the address below.} \]

Well Not Drilled - Permit Approved
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 attributable unit for gas wells and within ½ mile of the boundaries of the proposed acreage attributable unit for oil wells.

API No. 15: __________________________
Operator: ____________________________
Lease: ____________________________
Well Number: __________________________
Field: ____________________________

Location of Well: County: __________________________

Feet from: N ( ) E ( ) S ( ) W ( ) Line of Section: __________________________

Feet from: N ( ) E ( ) S ( ) W ( ) Line of Section: __________________________

Sec: ___________ Twp: ___________ R: ___________

Is Section: ( ) Regular or ( ) Irregular

If Section is irregular, locate well from nearest corner boundary.

Service 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.

Seward County

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 sections 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 attributable plat must be attached. (CD-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. 80,024-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 cumulative rights, the following stated rules pertaining to wells already completed, in 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 500 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 wells "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, 110 S. Market, Room 207L, Wichita, KS 67202-3602 Voice 316.337.6300 Fax 316.337.4211 www.ks.gov