NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

For KCC Use:

Form C-1
December 2002
Farm must be Tied
All blanks must be Filled

SOAT

S

Yes

No

QT

2

Effective Date:

4.20.05

month

year

Expected Soud Date:

April 18, 2005

OPERATOR:

Name:

Pilchuck Drilling Company, Inc.

Address:

100 S. Main, Suite 505

City/State/Zip:

Lawrence, Kansas 67225-3739

Contact Person:

Larry J. Richardson

Phone:

316-262-6467

License:

5123

CONTRACTOR:

Name:

Company Tools

Well Class:

Oil

Gas

Storage

Dispensary

Geology:

# of Holes

Other

Drilled For:

H2O

Misc. Rotary

Air Rotary

Cable

If OWWI, old well information as follows:

Operator:

Well Name:

Original Completion Date:

Original Total Depth:

Directional, Deviated or Horizontal wellbore:

Yes

No

Bottom Hole Location:

KCC DKT #:

Spot

C

SE

SW

Sec

30

30

R

8

E

30

West

30

North

1897'

1897'

30'

200'

200'

150'

150'

820'

820'

N/A

N/A

X

X

Yes

No

Well bore:

Surface Pipe by Alternate:

Length of Surface Pipe:

Length of Conductor Pipe:

Formation:

Water Source for Drilling Operations:

Will Core be taken?

Yes

No

If Yes, proposed zone:

Date:

March 29, 2005

Signature of Operator or Agent:

Title:

Geologist

For KCC Use ONLY

API

095 - 21960-0000

Conductor pipe required:

None

Minimum surface pipe required:

200 ft.

Approved by:

94/15-05

This authorization expires:

10/15/05

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

Remember to:

- File Drilling Application (form CDP-1) with intent to drill;
- File Completion Form CMC-1 within 120 days of soud date;
- File aerial photo identification of each wellhead; number;
- Notify appropriate district office 48 hours prior to worker or re-entry;
- Submit drilling report (CDP-2) after completing drilling;
- Obtain written approval before disposing of injection water.

If 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:

- Fill in below and return to the address below.

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

- Fill in below and return to the address below.
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plot 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: Pikesville Drilling Company, Inc.
Lease: Shear-Nicholas
Well Number: 2
Field: Spivey-Grabs

Number of Acres attributable to well:

QTR / QTR / QTR of acreage:

Location of Well: County:

Kingman

Location from:

660' feet from

1980' feet from

Line of Section

Line of Section

Sec. 30       5 R. 8

Expt. 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: (CG-7 for oil wells; CG-8 for gas wells).
April 15, 2005

Mr. Larry J. Richardson
Pickrell Drilling Company, Inc.
100 S. Main Ste 505
Wichita, KS 67202-3738

Re: Drilling Pit Application
Shea-Nicholas Lease Well No. 2
SW/4 Sec. 30-30S-06W
Kingman County, Kansas

Dear Mr. Richardson:

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 within 72 hours 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 (316) 630-4000 when the fluids have been removed. Also, please file the enclosed CDP-5, 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: Doug Louis