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

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

Form C-1
December 1980
Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use:

Date: 4-3-05

Expected Spud Date:

April 1, 2005

OPERATOR:

Name: Patience Petroleum, Inc.
Address: 4924 SE 86th St.
City/State/Zip: Kansas City, KS 67114-6927
Contact Person: Klie R. Walschus
Phone: (913) 799-1000

CONTRACTOR:

Name: Southwind Drilling, Inc.
Phone: 33350

KCC WICHTA

Drill Permit:

Oil
Enr Rec
Infeld
Mud Rotary
Gas
Storage
Pool Ext.
Air Rotary
DWM
Disposal
Welding
Well
Public supply water well within one mile
Surface pumphouse
Distance to nearest public water supply well
(200 feet)
Surface pipe by Alternative: Yes
Length of surface pipe planned to be set: 200'
Length of conductor pipe required: None
Well No. 14P1
Well No. 1350
Compensation: Regular

NOTE: Locate well on the section plat on reverse side.

County: Stafford
Lease Name: Spangenberg
Field Name: Hilker Ex.
Is this a Proposed: Yes
Is this the Proposed: Oil Field?
Target Formation: UX6, Arbuckle
Nearest road or unit boundary: Yes
Ground Surface Elevation: Yes
Depth to bottom of fresh water: Yes
Surface Pipe by Alternative: No
Public supply water well within one mile: Yes

Well No. 14P1

Form: Affidavit

Date: March 22, 2005
Signature of Operator or Agent: President

For KCC Use Only:

API No. 1185 - 23310 - 00 00

Cementation pipe required: None

Minimum surface pipe required: 250 feet per Acre

This authorization expires: 5-21-05

Spud date: Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Remember to:

- File Oilfield Application form COP-1 with Intent to Drill.
- File Completion form ACD-1 within 120 days of spud date.
- Notify appropriate district office all hours prior to re-entrant or re-entry.
- Submit plugging report (CP-4) after plugging is completed.
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired, (then), authorized expiration does please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent:

Date:

17 22 12
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: Palomino Petroleum, Inc.
Lessee: Spangenberg
Well Number: 2
Field: Nellis Ext.

Number of Acres attributable to well:

Acres to be prorated or spaced:
N 2
N 2

Location of Well: County: Stafford

Location from:
470 Acc. ft.
350 Acc. ft.

S. Line of Section
W. Line of Section

Is Section: Regular or Irregular

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

Section corner used:


(Show location of the well and shape attributable acreage for prorated or spaced wells.)
(Show location to the nearest lease or unit boundary line.)

NOTE: In all cases locate the spot of the proposed drilling location.

STAFFORD 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 or 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 will be attached. (CD-7 for gas wells, CD-8 for oil wells.)
March 29, 2005

Mr. Klee R. Watchous
Palomino Petroleum, Inc.
4924 SE 84th St.
Newton, KS 67114-8827

RE: Drilling Pit Application
Spangenberg Lease Well No. 2
NE1/4 Sec. 17-228-12W
Stafford County, Kansas

Dear Mr. Watchous:

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 Silt 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