KAANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

For KCC Use:

Effective Date:

District #:

SCAT: Yes No

Expected Spud Date:

05 18 2005

OPERATOR: License No. 31714
Name: Nicky Oil & Gas, Inc.
Address: 125 N. Market, Suite 1230
City/State/Zip: Wichita, KS 67202
Contact Person: Michael Novy
Phone: 316-286-4251

CONTRACTOR: License 5921
Name: O'S & W Well Servicing, Inc.

Well Drilled For: Gas Storage Other: 
Well Class: Oil Res. Prod. Ext. Air Rotary OWN
Type: Equp.: Disposal Wellcat. Misc.

If OWNO: all well information as follows:
Operator: OKMAR OIL COMPANY
Well Name: SCENIA #2 (K-31-87)
Original Completion Date: 6/22/47
Original Total Depth: 3287
Directional: Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: 
Bottom Hole Location: KCC DKT #.

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 driller’s rig.
3. The minimum amount of surface piped as specified below shall be set by circulating cement to the top; in all cases such cementing shall be done through any unconsolidated materials plus a minimum of 20 feet into the underlying formations.
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 completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Drawings or to Appendix “B” - Eastern Kansas surface casing other #133,891-C, which applies to the KCC District 3 area, alternate casing must be completed within 30 days of the spud date or the well will 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: 05/08/04 Signature of Operator or Agent: 

For KCC Use Only
APX #15: 009.64521.00-01
Minimum surface pipe required: 200 feet per A

Spud date: Agent:

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

ON THE 25TH DAY OF MAY, 2005

Remember to:
- File Drill Pit Application (form COP-5) with insert to drill;
- File Completion Form ACD-1 within 120 days of spud date;
- File acreage attrition plot according to filed production orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (COP-4) after plugging 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:

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 1/4 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 - N.A.  Operator: Navy Oil & Gas, Inc.  Lease: Item:  Well Number: A-2  Field: Knauss-Prusa Pool  Number of Acres attributable to well: 10  QTR / QTR / QTR of acreage: NW NW SW  Location of Well: County: Barton  2310 E 330 S 25 Sec. 10 Twp. 19  NE NW SE SW  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 (CO-7 for oil wells, CO-8 for gas wells).
May 3, 2005

Mr. Michael Novy
Novy Oil & Gas, Inc.
125 N. Market Ste 1230
Wichita, KS 57202

RE: Drilling Pit Application
 Lease Well No. A-2
 SW 4 Sec. 25-195-11W
 Barton County, Kansas

Dear Mr. Novy:

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 practical after drilling operations have ceased. Please keep all pits away from any draws.

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 (785) 625-0555 when the fluids have been removed. Also, please file the enclosed COP-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: H Deines