**NOTICE OF INTENT TO DRILL**

**Must be approved by KCC live (8) days prior to commencing well**

**OPERATOR:** Licenses 3293

**Address:** PO Box 1469

**City:** LeRoy

**State:** Illinois

**Phone:** 815-609-7700

**CONTRACTOR:** License 33300

**Name:** Southwest Drilling, Inc.

**Well Drilled For:**

- Oil
- Gas
- Storage
- Geothermal
- Solaric
- Other

**Well Class:**

- Oil
- Eth Rec
- Infield
- Wet Well Poly
- Air Rotary
- Wldcat
- Other

**Type Equipment:**

- Drill Rig
- Cable

**Well Depth:**

- 2,500 ft
- 2,750 ft
- 3,000 ft

**Directional Drilled or Horizontal well?**

- Yes
- No

**Bottom Hole Location:**

- KCC Dkt.

**Affidavit**

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 drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top in all cases surface pipe shall be 48" through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
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 other plugged or production casing is cemented;
6. If an ALTERNATIVE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "G", Eastern Kansas Surface casing Inter #133,891-0, which applies to the KCC District 3 area, ultimate cementing must be completed within 30 days of the spud date or the well shall 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:** June 11, 2005

**Signature:**

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**FORM: Gas Oil Conservation Division**

**For KCC Use ONLY**

- API # 15: 23073.00-00
- Conductor pipe required: NONE
- Minimum surface pipe required: 200 feet
- Approved by: RGC-13
- This authorization expires: 12/13/05

**Received**

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

**CONSERVATION DIVISION**

**WASHINGTON**
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 boundary 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 - Location of Well: County: Graham
Operator: Russett Oil, Inc. Location from N / S Line of Section
Lease: Low D S / E Line of Section
Well Number: 81-24 Sec. 24
Files: Hill City (No Files) Twp. 8 E R. 23

Number of Acres attributable to well: If Section is regular, locate well from nearest corner boundary.

QTR / STR / QTR of acreage: Section other used: NE NW SE SW

RECEIVED

KANSAS CORPORATION COMMISSION

PLAT

JUN 14 2005

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

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

CONSERVATION DISTRICT

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 names, i.e. 1 section, 1 section with 6 surrounding sections,

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 (CD-7 for oil wells; CD-8 for gas wells).
June 14, 2005

Mr. LeRoy Holt II
Russell Oil, Inc.
PO Box 1469
Plainfield, IL 60544

RE: Drilling Pit Application
Law D Lease Well No. 1-34
NE/4 Sec. 24-09S-23W
Graham County, Kansas

Dear Mr. Holt:

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.

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) 625-0550 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,

[Signature]

Kathy Haynes
Environmental Protection and Remediation Department

cc: H Deines