KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
RECEIVED
JUN 17 2005

NOTICE OF INTENT TO DRILL

Form C-1
December 2000
Form must be Typed
Form must be Signed
blanks must be filled

For KCC Use:
Effective Date: 7-3-05
District # 2
SOA? Yes No

Expected Spud Date: 7-8-2005

Operator: Kansas Oil & Gas Co.
Name: C & K Oil Company
Address: Chanute, Kansas 66726
Contact Person: Dan P. Hensley
Phone: (316) 746-4644

Contractor: North Star Drilling, Inc.
Name: Wichita, Kansas

Well # 204-27-434-35N20W

Section: 35

Lease Name: Melott
Well #: 7
Field Name: South 14-6
IsProducing\Produced?Yes\No
Target Information:
Heated Lease or unit boundary
Ground Surface Elevation
Water well within one-quarter mile
Public water supply well within one mile
Depths to bottom of fresh water
Depth to bottom of usable water
Surface Pipe by Alternate:
Length of Surface Pipe Planned to be set
Length of Conductor Pipe Required
Projected Total Depth:
Formation at Total Depth
Water Source for Drilling Operations:
DHW Permit #:

Wells Cored? Yes No
If Yes, proposed zone:

Note: Locate well on the Section Plat on reverse side

County:
Riley

Note: 1.

Affidavit

The undersigned hereby affirms that the drilling, completion, and eventual plugging of this well will comply with K.S.A. 55-8 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 anticipated notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be laid by circulating cement to the top, in all cases surface pipe shall be set through all uncemented materials plus a minimum of 20 feet into the underlying formation;
4. If the well is dry when the 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 ALTERATIVE II COMPLETION, production pipe shall be cemented from below the usable water to surface within 120 days of spud date.

Or pursuant to Appendix B of the Eastern Kansas surface casing order #123,651-1C, which applies to the KCC District 3 area, alternate II 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.

Signature of Owner or Agent:
Date:

For KCC Use ONLY

APL 15 - 159.2 22465.00.00
Conductor pipe required - 1,410 feet
Minimum surface pipe required - 281 feet per mi. @

This authorization expires 5/23/05

This authorization expires 5/23/05

Spud date: Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2079, 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 compute the plat below showing that the well will be shownly located in relationship to other wells produced 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. 17
Operator: C & K Oil Company
Lease: Merlin
Well Number: 7
Field: Green - silica

Number of Acres attributable to well:
GTR / GTR / GTR of acreage SE NE NW

Location of Well: County: Rice
Sec.: 4360
Twp.: N/S E/W
S/R:

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW

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 apportioned 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).
June 28, 2005

Mr. Chris Hoffman
C & K Oil Company
PO Box 531
Clallam, KS  67525

Re:  Drilling Pit Application
     Mantel Lease Well No. 7
     NE1/4 Sec. 18-20S-10W
     Rice County, Kansas

Dear Mr. Hoffman:

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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: Doug Louis