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

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

Spot 10 E of NE SE / Sec. 29 Twp. 16 R. 12 E / East

1980 feet from N / W / S / E. Line of Section
880 feet from E / W Line of Section

Is SECTION Regular Irregular

(Note: Latest well on the Section Plan or reverse side)

County:Banner

Lease Name: Jacobs
Field Name: Steever South-Est.
Is this a Prestrated / Spaced Field? Yes
Target Formations: UCO, Arbuckle
Nearest Lease or unit boundary: 960
Ground Surface Elevation: 1822
Water well within one-quarter mile Public water supply well within one mile Depth to bottom of fresh water

(1) 340

Surface Pipe by Alternate 1 2
Length of Surface Pipe Planned to be set: 960
Length of Conductor Pipe Required: None
Projected Total Depth: 3400
Formation at Total Depth: Depth to bottom of casing
Water Source for Drilling operations: Well

DWR Permit #

Will Core be taken?

Yes, proposed zone:

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 set through all unconsolidated materials plus a minimum of 20 feet of 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 either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from above any usable water surface within 120 days of spud date.
Or pursuant to Appendix "B", Eastern Kansas surface casing order #133,881-C, 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 correct to the best of my knowledge and belief.

Date: August 12, 2005
Signature of Operator or Agent:

For KCC Use ONLY

API # 15 - 009 24763 0009
Conductor pipe required NONE
Minimum surface pipe required 380 feet per Act & A
Approved by:

This authorization void if drilling not started within 6 months of effective date.

Spud date: Agent:

Remember to:

- File Drill Permit Application (Form CPR-1) with intent to Drill.
- File Completion Form-KCC-1 within 120 days of spud date;
- File aerial footage plan according to field preservation orders.
- Notify approximate diameter 48 hours prior to worker or re-entry;
- Submit plugging report (CF-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:

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

[Image with handwritten text]
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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: Palomino Petroleum, inc.
Operator: 
Lease: Jacobs
Well Number: 1
Field: Beaver South Ext

Number of acres attributable to well:
QTR / QTR / QTR of acreage:

Location of Well: County: Barton
Section: 22
Township: 16
Range: 12

Location from S. Line of Section:

Location from E. Line of Section:

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 acreage 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 impacted 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 qualification plat must be attached: (CG-7 for oil wells; CG-8 for gas wells).