For KC5 Use:

API #: 073-21772-000
Conduction pipe required: NONE
Minimum surcharge pipe required: 960 feet per 500 feet
Approved by: KSC/10-07-05
This authorization expires: 10-07-05
(These authorization void if drilling not started within 6 months of approval date.)
Spout date: 09-21-05

Agent:

Mail to: KC5 - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Panama

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

10-15-05

KCC: 4

District #: 10

SOA: Yes / No

Expected Spud Date: Upon Approval

OPERATOR: Licensed: 32864
Name: XTO Energy Inc.
Address: 2120 Park Avenue, Suite 2350
City/State/Zip: Oklahoma City, OK 73102
Contact Person: Rob S. McCrary
Phone: (405) 219-3236

CONTRACTOR: License: 4815
Name: Thornton Drilling Company

Well Depth: For: 1,000
Well Class: Type Equipment:

Oil
Gas
Disposal
Other

Gases:

Mud Rotary
Post Ext.
Wireline

If DKWID: old well information as follows:

Operator:

Well Name: Panama Council
Original Completion Date: 9-30-89
Directional, Deviated or Horizontal well:

Yes / No

Bottom Hole Location: KCC DKT:

Wells

SE

SW

NW

SE

35

25

9-36

East

West

is Section

Register

Integrate?

County: Panama
Lease Name: Panama Council
West 3-29-35

Is this a Perforated / Spaced Field?

Yes / No

Target Formation(s): Ground Floor

Nearest Lease or Unit boundary: 1200

Ground Surface Elevation: 1200

Water well within one-quarter mile:

Yes / No

Public water supply well within one mile:

Yes / No

Depth to bottom of fresh water: 500

Water pipe by Alternate:

1

Surface Pipe to be ear: 490

Length of Conductive Pipe required:

600

Projected Total Depth: 3000

Formation at Total Depth: Nova Limestone

Water Source for Drilling Operation:

Well

Farm Pond

Other

DWH Permit #:

Will Cored be taken?

Yes / No

If Yes, proposed zone:

AFFIDAVIT

Date: 10/04/05

Signature of Operator or Agent: Adam L. McCray

Title: Drilling Technician

RECEIVED

OCT 07 2005

KCC/WCHITA

For KCC Use Only

Remember to:

- File DWH Pit Application (form CDI-1) with intent to Drill;
- File Completion Form KCC-1 within 120 days of spud date;
- File the completion report (form CDI-4) after completion is completed;
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (less authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent:
NOTICE TO OPERATORS DRILLING IN THE PANOMA-
COUNCIL GROVE GAS POOL SPACED AREA

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1976, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

“The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, in the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted.”

1. “No dual completions between the Chase (Hugoton) and Council Grove Formations will be permitted for future wells drilled.”

2. “Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well.”

3. “The production casing of all new Council Grove wells should be cemented, with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 500 feet above the Chase Formation.”

4. “The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the space area.”

5. “The cement coverage heretofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log.”

A copy of this survey and the cement ticket(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the wells “spud date.”

Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division’s Production Department at (316) 337-6200.

Conservation Division, Finney State Office Building, 130 S. Market, Room 207B, Wichita, KS 67202-2802  
Voice 316.337.6100  Fax 316.337.6331  www.ki.state.ks.us