NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

For KCC Use Only

API # 15

Compressor pipe required

300 feet

Approved

This authorization is expired

(The authorization will not be reissued after 6 months of approval)

Date: 11-12-05

Signature of Operator or Agent

Geologist

Remember to:

- File Drill Per Application (Form COP-1) with Intent to Drill
- File Completion Form COP-1 within 120 days of spud date
- File an amendment to permit if additional operators are involved
- Provide applicable district office within 48 hours to operator or re-entrant
- Submit a plug report (CP-2) after plugging is complete
- Complete within approval before disposing of or handling salt water
- This permit is issued (see authorized expiration date) please check the line below and return to the addressed below

KCC - Conservation Division, 105 S. Market Room 2078, Wichita, Kansas 67202

Mail to: KCC - Conservation Division, 105 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 plat. 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 prorated acreage attribution well for gas wells and within ½ mile of the boundaries of the proposed acreage attribution well for oil wells.

API No. 15
Operator: Helotes Drilling Company, Inc.
Lease: Region X
Well Number: 1
Field: Syre's-Grabs
Number of Acreage attributable to well:

OGR / OGR / OGR of acreage: SW SE SW

Location of Well: County: Kingman

1650 feet from N / W Line of Section

1250 feet from NE / SE Line of Section

Sec. 25 Twp. 30 S R 8

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest section boundary. Section corner used: NE 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.)

RECEIVED

KANSAS CORPORATION COMMISSION

NOV 02 2005

SECRETION DIVISION

WINTER, KS

EXAMPLE

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 plats 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 (GS-7 for oil wells; GS-8 for gas wells).
November 14, 2005

Mr. Larry J. Richardson
Pickrell Drilling Company, Inc.
100 S. Main Ste 505
Wichita, KS 67202-3738

Re: Drilling Pit Application
Swingle C Lease Well No. 1
SW/4 Sec. 25-30S-09W
Kingman County, Kansas

Dear Mr. Richardson:

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. Please file form CDP-5, Exploitation and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

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: Doug Louis

Conservation Division, Kansas State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.6260  Fax 316.337.6211  www.kcc.state.ks.us