**Notice of Intent to Drill**

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

**FOR KCC USE ONLY**

- API: 155
- Conductivity required: 0.15 microsiemens per centimeter
- Minimum surface pressure: 1,500 psi
- Approved by: Kansas Corporation Commission (KCC) Conservation Division

**Signature of Operator or Agent:**

**Title:** Regulatory Analyst

**Date:** 11/10/05

**Mail to:** KCC - Conservation Division, 130 S. Market - Room 2679, Wichita, Kansas 67202

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**FOR OIL & GAS CONSERVATION DIVISION USE ONLY**

- Well Name: HUGOTOH
- Date: NOV. 14, 2005
- Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 56 et seq.

It is required that the following minimum requirements must be met:

1. Notify the appropriate district office prior to commencing work.
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 into the underlying formation.
4. If the well is dry, a lease between the operator and the district office on plug length and placement is necessary prior to plugging.
5. The approximate diameter of the well shall be notified before the well is plugged or production is completed.
6. An alternate II completion, production shall be completed from below any usable water to surface within 120 days of spud date. Or pursuant to Appendix B of Eastern Kansas surface casing enter 133,891 C.F., which applies to the KCC special area, thereafter 5 cementing must be completed within 36 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.

**For KCC Use Only**

- API: 15
- Conductivity required: 0.15 microsiemens per centimeter
- Minimum surface pressure: 1,500 psi

**KANSAS CORPORATION COMMISSION**

- **Operation:** Oil & Gas Conservation Division
- **Requestor:** HUGOTOH
- **Spud Date:** NOV. 14, 2005
- **Well Name:** HUGOTOH
- **Affidavit**

**Date:** NOV. 14, 2005

**Mail to:** KCC - Conservation Division, 130 S. Market - Room 2679, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plot 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 plot 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 1/10 of the boundaries of the prorated acreage allocation unit for gas wells and within 1/10 mile of the boundaries of the proposed acreage allocation unit for oil wells.

<table>
<thead>
<tr>
<th>API No. 15</th>
<th>Operator: Chesapeake Operating, Inc.</th>
<th>Location of Well: County: Stevens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease: Mezger Trust</td>
<td>1985 feet from S Line of Section</td>
<td></td>
</tr>
<tr>
<td>Field: Wethersay</td>
<td>3200 feet north from W Line of Section</td>
<td></td>
</tr>
<tr>
<td>Number of Acres attributable to well: 640</td>
<td>Sec. 3  Town: 33</td>
<td></td>
</tr>
<tr>
<td>QTR/QTR/QTR of acreage:</td>
<td>Range: 36</td>
<td></td>
</tr>
<tr>
<td>Is Section: [ ] Regular or [ ] Irregular</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If Section is Irrelevant, locate well from nearest corner boundary. Section corner unit: [ ] NE [ ] NW [ ] SE [ ] SW

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show notation 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 depicted plat by identifying section thus: 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 north / south and east / west.
3. The reference 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 gas wells; Co-8 for gas wells).
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 1978, 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 herefore 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 well’s 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) 337-4200.

Conservation Division, Kansas State Office Building, 130 S. Market, Room 207B, Wichita, KS 67202-3402
Voice 316.268.6200 Fax 316.268.6251 www.kcc.state.ks.us