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

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

For KCC Use:

Form C 1
December 2000

Effective Date:

District:

Yes

SGA:

Test No.:

Spud Date:

December 27, 2005

OPERATOR: License #: 30742

Name: Petroleum Corporation, Inc.

Address: 4942 16th St.

City/State/Zip: Newton, Kansas 67114-8882

Contact Person: Kwei H. Wathous

Phone: (316) 799-1000

CONTRACTOR: License #: 5123

Name: Spill Drilling Co., Inc.

Well Drilled For:

Oil

Esf Rec

Well Class:

Infield

Mud rotary

Drilled Storage

Post Perm.

Air rotary

DMD

Wildcat

Seismic: 

# of Holes

Other

If OWDH: old well information as follows:

Operator:

Well Name:

Original Completion Date:

Original Total Depth:

Discontinuous, Deviated or Horizontal wellbore?

Yes

No

If Yes, true vertical depth:

bottom Hole Location:

KCC DKT #:

120° N 4° 50' E of

SE SW NE Sec:

17 T

1600

16

Line of Section:

E

W

Is SECTION Regular: (regular)

(Seal)

County:

Note: Locate well on the Section Plat on or nearby state.

Lease Name:

Subloc:

Well #:

Field Name:

Kansas North

Is this a Prolonged Spud Field?

Target Formation:

Kumosee Sand

Nearest Lease or Unit boundary:

450

Yes

No

Public water supply well within one mile:

Depth or bottom of fresh water:

350

Yes

No

Surface Pipe by Alleman:

Length of Surface Pipe Plugged to be used:

340

Length of Conductor Pipe required None

Projected Total Depth:

4600

Formation at Total Depth:

Mississippian

Water Source for Drilling Operations:

Well:

Farm Pond

DWR Permit #:

Notes for Permit with DWR Permit #:

Will Cores be taken?

Yes

No

If yes, proposed zone:

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AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 50-12a. 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 classes through unconsolidated materials plus a minimum of 20 feet into 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 shall be notified before well is either plugged or production casing is cemented in;

6. If an ALTERNATE completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. Or pursuant to Appendix "A" - Eastern Kansas surface casing Order #103,891-C, which applies to the KCC District 3 area, alternate casing must be completed within 30 days of the spud date or the well shall be plugged.

I hereby certify that the statements made herein are true, accurate and complete to the best of my knowledge and belief.

Date:

November 23, 2005

Signature of Operator or Agent:

Remember to:

Mail to: KCC - Conservation Division, 130 S. Market - Room 209, Wichita, Kansas 67202

For KCC Use Only:

AF #:

135-08142-50

Conductor pipe required None

Minimum surface pipe required 20' per Ac. 20'

Approved by:

This authorization expires:

(Use of drilling not started within 60 days of approval date)

Spud date:

2005

Notes for Operator or Agent:

Mail:

22-9

Receive Date:

2005
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 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: Palomino Petroleum, Inc.
Lease: Dubs
Well Number: 1
Field: Ransom North

Number of Acres attributable to well:
QTR / QTR / QTR of acreage: SE, SW, NE

Location of Well: County: Ness
2190 feet from Section 1500 feet from
Sec. 21 S. R. 24

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

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NOV 29 2005
CONSERVATION DIVISION
WICHITA, KS

NOTE: In all cases locate the spot of the proposed drilling location.

INSS C08

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 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: (C07 for oil wells; C08 for gas wells).