KANSAS CORPORATION COMMISSION
OIL & GAS COMMISSION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1
December 2002
Form Must be Typed
Printed or Handwritten forms must be legible

For KCC Use

Effective Date: 12/27/05

KCC Use Only

SGA# Yes No

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

Exported Spud Date: 01/01/2006

OPERATOR: License # 9447

Name: COY USA Inc.
Adress: PO Box 2152
City/State/Zip: Alliance, KS 67005
Contact Person: Jerry Cartier
Phone: 620-448-4524

CONTRACTOR: License # 32379

Name: Vineyard Drilling Co.

well is located For: [ ] Wells Class: [ ] Type of Equipment: [ ]
[ ] Pad Rotary [ ] Mud Rotary
[ ] Storage [ ] Pit Trail
[ ] OHWO: [ ] Wldcat [ ] Cable [ ]
[ ] Other: [ ] # of Wells [ ]

If OHWO: see well information as follows:
Operator: 
Original Completion Date: [ ] Original Total Depth: [ ]
Directional, Deviated or Horizontal Well?: [ ] Yes [ ] No
Yes, true Vertical depth: [ ]
Bevel: [ ] Mile Location: [ ]

KCC DKT #: 

Well Location: 10176 W - 104-55-7T - 29-68-116R - 112915

C sensed: 016, 025, 045, 060, 065, 067, 070

Affidavit

The undersigned hereby, thru the KCC, applies for and intends to drill the well will comply with K.S.A. 55-717 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 in each drilling rig.
3. The completion amount of oilfield pipe as noted below shall be set in oil-filled cement if the top of all casing shall be cemented with uncemented materia plus the necessary 25 feet into underlying bedrock.
4. If the well is a dry gas well, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging.
5. If the operator elects to plug the well with decommissioning well materials, the operator shall notify the appropriate office of the intended plug up to 60 days prior to the proposed plug up.
6. If the well is in Kansas City, the operator shall notify the appropriate office of the intended plug up to 40 days prior to the proposed plug up.

I hereby certify that the undersigned have herein purposed and in the basis of my knowledge and belief:

Date: 12/26/05
Signature of Operator or Agent: 

Well for: [ ] Conservation Division, 130 S. Market - Room 207A, Wichita, Kansas 67202

Well Location: 

For KCC Use Only

Operator: 055-219-00-00-00
Also at: #1-3-11-1-5-0-0

Minimum Spud Date is required: 10/04

Approved by: KPRU-120163

This authorization expires 6/23/2006

(This authorization expires if drilling not started within 6 months of effective date.)

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

spud date: [ ] Agent: [ ]

Remittance:

1. File Oil Application Form (OG-1) with intent to drill.
2. File Completion Form (AC-1) 120 days on well data.
3. File average oilfield plugging payroll according to legal oilfield weighing.
4. Notify appropriate district office 48 hours prior to submission of oilfield plugging.

In the event this permit has expired (after submission of oilfield plugging), please check the box below and return the approval below.
[ ] Well not Drilled - Permit Expired

Signature of Operator or Agent: 

Date: 

Well for: [ ] Conservation Division, 130 S. Market - Room 207A, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Prep of acreage attributable to a well is a promoted or spaced field

If the intended well is in a promoted or spaced field, please fully complete the side of the form. If the intended well is in a promoted or spaced field, complete the plat below showing that the well will be properly located in relation 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 allocation unit for all wells.

API No. 15
Owner: Safe & Sure Inc.
Lease: Garden City M-3
Well Number: 5
Field: Garden City M-3

Location of Well: County

Section

Line of Section

Line of Section

In Section

Regular or

Irregular

If the location is irregular, locate well from nearest corner boundary.

Survey corner used: NE NW SE SW

PLAT

(Show location of the well and show acreage attributable acreage for promoted or spaced wells.)

(Show location to the nearest lease or unit boundary line.)

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

Ponca County

In plotting the proposed location of the well, you must show:

1. The number in which you are using the proposed plot 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 sections south/north and east/west.
3. The distance to the nearest lease or unit boundary line.
4. If the proposed location is located within a promoted or spaced field a certificate of acreage attribution plot must be attached. (CO-7 for oil wells; CO-9 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 centered 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 hereinfore 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.