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

KCC WICHITA

RECEIVED
JAN 23 2006
Form C-1
December 2002

FORM MUST BE TYPED
ALL BLANKS MUST BE FILLED

For KCC Use Only

Effective Date: 2-5-66

District #: 2

SOI #: Yes

Contractor's Name: Martin DeRosa Co., Inc.

Well Name: D-267

Type: Nut Rotary

Permit #: 5-647

Operator License #: 500622

Operator Name: Gulf USA Inc.

Address: P.O. Box 2209

City/State/Zip: Lawrence, KS 66046

Contact Person: Vicki Carter

Phone: 785-843-6433

Licent#: 500622

Well Class: D-267

Well Class Type: Drill Rig

Depth to top of fresh water: 450

Depth to bottom of usable water: 740

Well Completion: Yes

Target Formation(s): St. Louis

Ground Surface Elevation: 2466

Water well within one-quarter mile: Yes

Public water supply well within one-mile: Yes

Well Construction: None

Length of Surface Pipe Placed in Well: 1700

Length of Conductor Pipe Required: None

Projected Total Depth: 4730

Water Source for Drilling Operations: Well

Will Comply With: Yes

Date: 5/17/2000

Signature of Operator or Agent: J. Henderson

Title: Capital Project

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67202

(For KCC Use Only)

AP# 15

Conductor pipe required: None

Minimum Surface Pipe Required: None

Approved by: 7-31-66

Agent: M. J. L. McClelland

This authorization expires 7-31-66

(Effective date: 2-5-66)
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 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 wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/4 mile of the boundaries of the proposed acreage attribution unit for oil wells.

Appt No. 15 -
Operator: ________________________________
Lease: ________________________________
Field: ________________________________
Number of acres attributable to well: ________
GTR / QTR / 1/2R of acreage: ________

Location of Well: County: ___________
feet from SE / NW Line of Section: _______
feet from SE / NW Line of Section: _______
Sec: ________ Twp: ________ R: ________
Is Section Regular or Irregular ________
If Section is Irregular, locate well from nearest corner boundary: ________
Section corner used: 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)

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

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 sections 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. (CD-7 for oil wells; CD-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 is 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 300 feet above the Chase Formation."

4. "The casing shall be spaced 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 ACOE 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 Producer, Department at (316) 267-6200.

Conservation Division, Friday State Office Building, 110 S. Market, Room 1678, Wichita, KS 67202-5092
Voice 316 267-6200 Fax 316 267-6211 www.kis.state.ks.us