NOTICE OF INTENT TO DRILL

For KCC Use:

Effective Date:
Distrait #
SGA #

Yes
No

Expected Spud Date:

month
day
year

OPERATOR: License #
Name:
KCC Resources, Inc.

Address:
3627 NE Memorial, Bus 500

City/Tax#: Oklahoma City, Oklahoma 73112

Contact Person:
BERTA ROGERS

Phone:
405-246-9266

CONTRACTOR: License #
Name:
ADAMS PERKINS INC.

Well Drilled For:
Well Class:

X Oil

Emf Fac

Held

Mud Rotary

class

Storage

Pool Exit

Air Rotary

OWNO

Disposal

Wjet exit

Other

Well Name:

Original Completion Date:

Well Location:

Original Total Depth:

Directional, Deviated or Horizontal well?

Yes
No

Bottom Hole Location:

KCC DKT #

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with 5.A.15-101 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 on each drilling rig;
3. The maximum amount of surface pipe as specified below shall be set in a perfectly 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 a slant 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 will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE is COMPLETION, production pipe shall be cemented from below any viable water to surface within 120 days of spudding.

Or pursuant to Appendix B - Eastern Kansas surface casing order #133,951-C, which applies to the KCC District 3 area, all wells cementing must be completed within 30 days of spudding or the well shall be plugged. In all cases, NOTIFICATION District office prior to any cementing.

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

Date: 3/19/06
Signature of Operator or Agent

Title: OPERATIONS ASSISTANT

For KCC Use ONLY:

API # 15-

227-9 0-0-0-0

Conductor pipe required:

Minimum surface pipe required:

X 720'

Approved by:

This authorization expires:
(This authorization will if drilling is not set within 5 months of effective date.)

Spud date:

Agent

Mail to: KCC - Conservation Division, 136 S. Market, Room 1078, Wichita, Kansas 67202

Date: 3/24/06

Mail to: KCC - Conservation Division, 136 S. Market, Room 1078, Wichita, Kansas 67202

Date: 3/24/06

Mail to: KCC - Conservation Division, 136 S. Market, Room 1078, Wichita, Kansas 67202

Date: 3/24/06
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, outline 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 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.

Alt No. 15-
Operator: SEAG RESOURCES, INC.
Lease:
Well Number: X7 FL
Field:
Number of Acres attributable to well:
GTHR/GTHR/GTHR of acreage:

Location of Well: County: ________
Section: 17
Township: 24
Range: 32
Sec: 17
Two: 24
R. S. E.
East:
West:

If Section is 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 location to nearest lease or unit boundary line.)

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 6 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south, north, east, and west; and
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. (CG-2 for oil wells, CG-8 for gas wells.)
March 15, 2006

Ms. Sheila Rogers
EOG Resources, Inc.
3817 NW Expressway, Ste 500
Oklahoma City, OK 73112

Re: Drilling Pit Application
Cope Lease Well No. 17 #1
NW/4 Sec. 17; 34S-32W
Seward County, Kansas

Dear Ms. Rogers:

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 as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. No completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration 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.kcn.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 Hryniew
Department of Environmental Protection and Remediation

cc: Steve Durrant
File

Conservation Division, Kansas State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice: 316-337-6200 Fax: 316-337-6211 www.kcc.state.ks.us