NOTICE OF INTENT TO DRILL

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

Expected Spud Date: November 30, 2007

OPERATOR:
License#: 5091
Name: Howell Oil Co. Inc.
Address: 2400 Riverbend Rd.
City/State/Zip: Hutchinson, KS. 67502
Contact Person: Larry Rosser
Phone: 620-604-0597

CONTRACTOR:
License#: 32701
Name: C & G Drilling Co.

Well Drilled For: Oil
Well Class: Field
Type Equipment: Mud Rotary

Spot
N2 E S Sec. 13

Township 23S Range 4

5 feet from N/S Line of Section
660 feet from E/W Line of Section

Is SECTION Regular _ _ or Irregular _ _

(Note: Locate well on the Section Plat on reverse side)

County: Reno
Lease Name: Sabin
Field Name: Burton
Is this a Prorated / Spaced Field? Yes _ _ No _ _
Target Formation(s): Mississippi

Nearest Lease or unit boundary: 660

Ground Surface Elevation: 1467 feet MSL
Water well within one-quarter mile: Yes _ _ No _ _
Public water supply well within one mile: Yes _ _ No _ _
Depth to bottom of fresh water: 220 ft.
Depth to bottom of usable water: 230 ft.
Surface Pipe by Alternate: Yes _ _ No _ _
Length of Surface Pipe Planned to be set: 250' of 12" minimum diameter

Projected Total Depth: 4400
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: Well _ _ Farm Pond _ _ Other _ _
DWR Permit #: (Note: Apply for Permit with DWR)

Will Cores be taken? Yes _ _ No _ _
If Yes, proposed zone:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 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 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 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 II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #153,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

Date: 10-18-07 Signature of Operator or Agent: [Signature]

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proclamation orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (see: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent:

Date: 10-18-07

Mailed to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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 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. 15-155-21524000
Operator: Howell Oil Co. Inc.
Lease: Sabin
Well Number: 12
Field: Burton

Number of Acrea attributable to well: 10
QTR / QTR / QTR of acreage: N/2 - SE - NE

Location of Well: County: Reno
1650 feet from ✓ N / ✓ S Line of Section
660 feet from ✓ E / ✓ W Line of Section
Sec. 13 Twp. 23S S. R. 4
East ✓ West

Is Section: ✓ Regular or □ Irregular

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

(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.

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: (CO-7 for oil wells; CG-8 for gas wells).
# Kansas Corporation Commission
## Oil & Gas Conservation Division
### Application for Surface Pit

**Operator Name:** Howell Oil Co., Inc.  
**License Number:** 5091

**Operator Address:** 2400 Riverbirch Rd.

**Contact Person:** Larry Ressler

**Lease Name & Well No.:** Sabin # 12

**Phone Number:** (620) 664-0597

**Pit Location (QQQQ):**
- Sec. 13  
- Twp. 23S  
- R. 4  
- East  
- West  
- 1650 Feet from North / South Line of Section  
- 660 Feet from East / West Line of Section  
- Reno County

**Is the pit located in a Sensitive Ground Water Area?** Yes

**Is the bottom below ground level?** Yes

**Artificial Liner?** Yes

**Chloride concentration:** mg/l  
*For Emergency Pits and Setting Pits only*

**How is the pit lined if a plastic liner is not used?** Bentonite, drilling solids & native clay

**Pit dimensions (all but working pits):**  
- 100 Length (feet)  
- 100 Width (feet)  
- N/A: Steel Pits

**Depth from ground level to deepest point:** 3 feet

**Distance to nearest water well within one-mile of pit:**  
- 990 feet  
- Depth of water well 30 feet

**Emergency, Settling and Burn Pits ONLY:**

**Producing Formation:**

**Number of producing wells on lease:**

**Barrels of fluid produced daily:**

**Does the slope from the tank battery allow all spilled fluids to flow into the pit?** Yes

**Drilling, Workover and Haul-Off Pits ONLY:**

**Type of material utilized in drilling/workover:** Chemical mud

**Number of working pits to be utilized:** 3

**Abandonment procedure:** Empty, allow to dry completely, backfill and compact

**Drill pits must be closed within 365 days of spud date.**

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

**Date:** 10-17-07  
**Signature of Applicant or Agent:**

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**KCC Office Use Only:**

**Date Received:** 10/19/07  
**Permit Number:**  
**Permit Date:** 10/24/07  
**Lease Inspection:** Yes

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**Mail to:** KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
October 24, 2007

Mr. Larry Ressler
Howell Oil Co., Inc.
2400 Riverbirch Rd.
Hutchinson, KS 67502

Re: Drilling Pit Application
Sabin Lease Well No. 12
NE/4 Sec. 13-23S-04W
Reno County, Kansas

Dear Mr. Ressler:

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 within 72 hours 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 (316) 630-4000 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.kcc.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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: File