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

KCC WICHITA

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

March 21, 2004

For KCC Use: 3-8-04
Effective Date: ____________________________

District # __________

SGA? □ Yes □ No

Expected Spud Date ____________________________

month day year

OPERATOR:
License# 6569
Name: Carmen Schmitt Inc.
Address: P.O. Box 47
City/State/Zip: Great Bend, KS 67530
Contact Person: Carmen Schmitt
Phone: 520 793 5100

CONTRACTOR:
License# 20406
Name: Murfin Drilling Company

Way Drilled For:
Oil Gas Disposal Seismic Other

Well Class: Infield Other

Type Equipment:
Mud Rotary Wildcat Cable

If OWWO: old well information as follows:

Operator:
Well Name: ____________________________
Original Completion Date: ____________________________
Original Total Depth: ____________________________

Directional, Deviated or Horizontal wellbore? □ Yes □ No

If Yes, true vertical depth: ____________________________

Bottom Hole Location:

KCC DKT # ____________________________

Spot
NW SE Sec 24 Tr 16S Twp 1W S. R. 28

East feet from line of section
West feet from line of section

Is SECTION □ Regular □ Irregular

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

County: Lane

Lease Name: Balzerick

Well #: 1

Field Name: W.C.

Is this a Prorated / Spaced Field? □ Yes □ No

Target Formation(s): Mississippian

Nearest Lease or unit boundary: 330' north

Ground Surface Elevation: 2695 feet MSL

Water well within one-quarter mile:
Public water supply well within one mile:
Depth to bottom of fresh water: 180'

Surface Pipe by Alternate: □ 1 □ 2

Length of Surface Pipe Planned to be: 200' NONE

Length of Conductor Pipe required

Projected Total Depth: 5550

Formation at Total Depth: Mississippian

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 affirm 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 #133,891-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.

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

Date: 3-2-04

Signature of Operator or Agent: ____________________________

Title: Secretary

Mail to: KCC - Conservation Division, 130 S. Market - Room 2075, Wichita, Kansas 67202

For KCC Use ONLY

API # 15 - 101-21835.0000

Conductor pipe required: NONE feet
Minimum surface pipe required: 200 feet per Alt. O

This authorization expires: 9-3-04
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: ____________________________

Agent: ____________________________

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 proration 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: ____________________________
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 -
Operator: Carmen Schmitt Inc.
Lease: Balzerick
Well Number: 1
Field: W.C.

Number of Acres attributable to well: ______
QTR / QTR / QTR of acreage: NW, NE, NE

Location of Well: County: Lane
330 feet from N / S Line of Section
990 feet from E / W Line of Section
Sec. 24 Twp. 16S R. 28

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.

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: (CG-7 for oil wells; CG-8 for gas wells).