KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date

6 1 04

OPERATOR: License # 3842
Name: LARSON OPERATING COMPANY
A DIVISION OF LARSON ENGINEERING, INC.
Address: 562 WEST HIGHWAY 4
City/State/Zip: OLMITZ, KG 67864-8561
Phone: (620) 853-7368
Contact Person: TOM LARSON

CONTRACTOR: License # 33323
Name: PETROMARK DRILLING, LLC

Well Drilled For:
[ ] Oil [ ] Enh Rec [ ] Infill [ ] Mud Rotary
[ ] Gas [ ] Storage [ ] Pool Ext. [ ] Air Rotary
[ ] OilWO [ ] Disposal [ ] Wildcat [ ] Cable
[ ] Seismic; [ ] # of Holes [ ] Other

Well Class:
[ ] Gas [ ] Storage [ ] Pool Ext. [ ] Air Rotary

Type Equipment:
[ ] OilWO [ ] Disposal [ ] Wildcat [ ] Cable
[ ] Seismic; [ ] # of Holes [ ] Other

Well KCC WICHITA

If OilWO: 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 DK#: __________________________

Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 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 a 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 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: 09/05/2004  
Signature of Operator or Agent: __________________________
Title: PRESIDENT

For KCC use ONLY

API # 15
Conductor pipe required: NONE feet
Minimum surface pipe required: 280 feet per Alt 1
Approved by: RSPS 25-04
This authorization expires: 11-25-04
(If drilled before this date, no further authorization is required.)

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

Remember to:
- File Drill Pt 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 of 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 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 ½ mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 -
LARSON OPERATING COMPANY
Operator: A DIVISION OF LARSON ENGINEERING, INC.
Lease: BEHNKE
Well Number: 1-29
Field: 

Location of Well: County: RICE
2310 feet from N / S Line of Section
2050 feet from E / W Line of Section
Sec. 29 Twp. 18 S. R. 9 East / West

Is Section: Regular or Irregular

Number of Acres attributable to well: 
QTR / QTR / QTR of acreage: ________ - ________ - SE

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.)

RECEIVED
JAN 07 2004
CCC WICHITA

EXAMPLE

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).
May 25, 2004

Mr. Tom Larson
Larson Operating Company
562 West Highway 4
Olmitz, KS 67564-8561

Re: Drilling Pit Application
    Behnke Lease Well No. 1-29
    SE/4 Sec. 29-18S-09W
    Rice County, Kansas

Dear Mr. Larson:

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 on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, Surface Pond Waste Transfer, within 30 days of fluid removal.

*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,

Kathleen Haynes
Environmental Protection and Remediation Department

cc: Doug Louis