**NOTICE OF INTENT TO DRILL**

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

**For KCC Use Only**

- API # 15: **151-10097-00-01**
- Conductor pipe required: **NONE** feet
- Minimum surface pipe required: **400** feet per Alt. 0
- This authorization expires: **06-3-05**

(If drilling not started within 6 months of effective date.)

Spud date: Agent: 

**KANSAS CORPORATION COMMISSION**

**OIL & GAS CONSERVATION DIVISION**

**NOTICE OF INTENT TO DRILL**

**Gas Storage Area**

**Preventer Required:**

Form must be typed
Form must be signed
All blanks must be filled

**Expected Spud Date:** December 10, 2004

**OPERATOR:**
- License #: 3880
- Name: KC Resources, Inc.
- Address: P.O. Box 6749
- City/State/Zip: Snowmass Village, CO
- Contact Person: Terrell Rowe
- Phone: (920) 770-2479

**CONTRACTOR:**
- License #: 65840
- Name: ADVISE ON ACO; MUST BE LICENSED WITH KCC

<table>
<thead>
<tr>
<th>Well Drilled For</th>
<th>Well Class</th>
<th>Type</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>Enh Rec</td>
<td>Infield</td>
<td>Mud Rotary</td>
</tr>
<tr>
<td>Gas</td>
<td>Storage</td>
<td>Pool Ext.</td>
<td>Air Rotary</td>
</tr>
<tr>
<td>OWWO</td>
<td>Disposal</td>
<td>Wildcat</td>
<td>Cable</td>
</tr>
<tr>
<td>Seismic</td>
<td># of Holes</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

If OWWO: old well information as follows:
- Operator: Skelly Oil Co. (Operator is now KC Resources)
- Well Name: Krehbili "A" No. 7
- Original Completion Date: 9/41
- Original Total Depth: 3480

**Directional, Deviated or Horizontal wellbore?**
- Yes [ ] No [ ]

If Yes, true vertical depth: 

**Directional Deviation:**

**Bottom Hole Location:**

**KCC DKT #:**

**Storage Area - Preventer Required:**

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 driling;
5. The appropriate district office will be notified before well is either pluged 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: 11/30/04
Signature of Operator or Agent: ____________________________
Title: Operations Manager

**AFFIDAVIT**

**B.O.P. REQUIRED**

**NOTIFY KCC DISTRICT #1 72 HOURS BEFORE SPUD.**

**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 drilling report (CP-4) after drilling 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: ____________________________

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

**RECEIVED**

**DEC 03 2004**

**KCC WICHITA**
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 - 151-90153
Operator: KC Resources, Inc
Lease: Cunningham "B" Unit
Well Number: 14
Field: Cunningham

Number of Acres attributable to well:
QTR / QTR / QTR of acreage: CS/2  N/2  NE/4

Location of Well: County: Pratt
4290 feet from N / S Line of Section
1320 feet from E / W Line of Section
Sec. 25 Twp. 27 S R 11 East West

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.)

The subject well is a deepening within unitized formations of the Cunningham "B" Unit that covers lands in the SW/4 of Sec. 19, the W/2 of Sec. 30, the NW/4 of Sec. 31 of T27S, R10W in Kingman County, Kansas. And the S/2, SE/4 of Sec. 24, all of Sec. 25 and the N/2 of Sec. 36 of T27S, R11W in Pratt County, Kansas.

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).
December 3, 2004

Mr. Terrell Rowe  
KC Resources, Inc.  
PO Box 6749  
Snowmass Village, CO  81615

RE:  Drilling Pit Application  
Cunningham B Unit Lease Well No. 14  
NE/4 Sec. 25-27S-11W  
Pratt County, Kansas

Dear Mr. Rowe:

This office has been informed that steel pits are to be used at this location. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

Should a haul-off pit be necessary, please complete the enclosed CDP-1. This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,

Kathy Haynes  
Environmental Protection and Remediation Department

cc: S Durrant