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

Expected Spud Date: 12 15 2004

OPERATOR: BEREXCO INC.
Name: GARY MISAK
Address: P.O. BOX 20380
City/State/Zip: WICHITA, KS 67208
Phone: 316-285-3311

CONTRACTOR: FORREST ENERGY, LLC
Name: 33436

Well Drilled For: Gas Storage
Well Class: Wildcat
Type Equipment: Wildcat

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
W2 W2 N E
Sec 31 Twp 30 S. R. 8
3960 feet from N S Line of Section
2190 feet from E W Line of Section

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County:
Lease Name: LUKENS AB
Field Name: SPIVEY GRABBS

Is this a Prorated / Spaced Field? Yes No
Target Information(s): MISSISSIPPI
Nearest Lease or unit boundary: 450'
Ground Surface Elevation: EST 1626
Water well within one-quarter mile: Yes No
Public water supply well within one mile:
Depth to bottom of fresh water: 150'
Depth to bottom of usable water:
Surface Pipe by Alternate: 1
Length of Surface Pipe Planned to be set: 210'
Length of Conductor Pipe required: 
Projected Total Depth:
Formation at Total Depth: MISSISSIPPI

Water Source for Drilling Operations:
DWR Permit: 

Will Cores be taken? Yes No
(Note: Apply for Permit with DWR)
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.
I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 12-3-04 Signature of Operator or Agent: Ahae Muck Title: ENGINEER

For KCC Use ONLY
API 15 -
Conductor pipe required: None
Minimum surface pipe required: 200
Approved by:
This authorization expires:
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

Remember to:
- File Drilling 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:

Mail 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**
Operator: BEREXCO INC.
Lease: LUKENS AB
Well Number: 3
Field: SPIVEY GRABBS

Number of Acres attributable to well: _

QTR / QTR / QTR of acreage: W/2  W/2  N3

**Location of Well**
County: KINGMAN
3960 feet from N / S Line of Section
2190 feet from E / W Line of Section
Sec. 31  Twp. 30  S. R. 8
East  West

Is Section:  Regular or  Irregular

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

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**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.)

![Diagram of well location and acreage attribution]

**NOTE:** In all cases locate the spot of the proposed drilling location.

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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 14, 2004

Gary Misak
Berexco Inc.
PO Box 20380
Wichita KS  67208

Re: Drilling Pit Application
   Lukens AB Lease Well No. 3
   NE/4 31-30S-08W
   Kingman County, Kansas

Dear Mr. Misak:

District staff has inspected the above referenced location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has recommended that the reserve pit be lined with bentonite, 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) 630-4000 when the fluids have been removed. Also, please file the enclosed Exploration and Production Waste Transfer, form CDP-5, 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,

[Signature]

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Doug Louis
    File