NOTICE OF INTENT TO DRILL

GAS STORAGE AREA

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

FORM 0-1
December 2000
Form must be Typed
All blanks must be Filled

For KCC Use

District:

Date:

Effective Date:

Time:

3:30:05

Date:

Quarter:

3

Yes

No

Expected Spud Date:

April 15

2005

month

year

OPERATOR Licensed:

KLM Exploration Co. Inc.

Address:

600 E. Lake St.

McLouth, KS 66564

Contact Person:

Larry Alex

Phone:

913-796-7663

CONTRACTOR Licensed:

Kan-Dill Inc.

Name:

Well Drilled:

West Class:

Type Equipment:

OK Oil

West: Rec

Infinit

Mud Rotary

Gas Storage

Pool Est.

Air Rotary

Disposal

Disposal

Well Driller

Cable

Sedimentary:

No. of Holes

Other

O:\W:\W:\W:\O:\W:

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 DIF:

K:\C:\A:\V:\E:\B:\R:\R:\R:\R:

Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-5 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 shall be set by bolting 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 or plug length and cementment 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 surface water to surface within 120 days of spud date.

Or pursuant to Appendix "H", East Kansas surface casing order #143,891-C, which applies to the KCC District 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:

April 1, 2005

Signature of Operator or Agent:

For KCC Use ONLY

API #15

Conductor pipe required:

None

Minimum surface pipe required: 40

feet per ft. of

325' 2 0 5

Approved by:

This authorization expires:

(2 5 0)

(2 5 0)

(2 5 0)

Spud date:

Agent:

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

http://simg.zedo.com/intercept/tag/int108.html

Received

May 9, 2005

KCC WICHITA

Remember to:

- File Drill FL: Application form CDF-1 with intent to Drill;
- File Completion Form AGO-1 within 120 days of spud date;
- File acreage retirement plan according to federal position orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report CDF-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 the address below:
- Well Not Drilled - Permit Expired

Signature of Operator or Agent:
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: KLM Exploration Co. Inc.
Lease: Edmonds "C"
Well Number: ______
Field: McLouth Storage Field
Number of Acres attributable to well: ______
QTR / QTR / QTR of acreage: NE - NW - SE

Location of Well: County: Jefferson
2310 FSL
1650 FEL
Sec. ______
Twp. ______
Line of Section E
W

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.)

RECEIVED
MAY 9 2005
KCC WICHITA

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, 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 (C-3 for oil wells; C-5 for gas wells).