

EFFECTIVE DATE: 12-18-96DISTRICT # 3SEA7...Yes...X...No

State of Kansas

NOTICE OF INTENTION TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing well.

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

Expected Spud Date July 1, 1996
month day yearSpot SW SW SW Sec. 08 Twp 10 S. Rg 20 X East WestOPERATOR: License # 03133
Name: KIM Exploration Company, Inc.
Address: 600 E. Lake, P.O. Box 151
City/State/Zip: McLouth, Kansas 66054
Contact Person: Larry Alex
Phone: 913-796-67630007
4979 feet from South North line of Section
IS SECTION XX REGULAR IRREGULAR

(NOTE: Locate well on the Section Plat on Reverse Side)

County: JeffersonLease Name: Wagner Well #: 2HField Name: McLouth Storage FieldIs this a Prorated/Spaced Field? yes X noTarget Formation(s): McLouth SandstoneNearest lease or unit boundary: 330 feetGround Surface Elevation: 1087 feet MSLWater well within one-quarter mile: yes XX noPublic water supply well within one mile: XX yes noDepth to bottom of fresh water: 75 feetDepth to bottom of usable water: 275 feetSurface Pipe by Alternate: 1 XX 2Length of Surface Pipe Planned on the well: 100 feet 195Length of Conductor pipe required: NONE (FORM ACD)Projected Total Depth: 1868 feetFormation at Total Depth: Top of MississippiWater Source for Drilling Operations: well XX farm pond other

Well Drilled For: Well Class: Type Equipment:

<u>X</u> Oil	... Enh Rec	<u>X</u> Infield	<u>X</u> Mid Entry
... Gas	... Storage	... Pool Ext.	... Air Rotary
... OWD	... Disposal	... Wildcat	... Cable
... Seismic	... # of Holes	... Other	
... Other			

If OWD: old well information as follows:-

Operator: KIM Exploration Company, Inc.Well Name: Wagner-2Comp. Date: 8/8/88 Old Total Depth 1568Directional, Deviated or Horizontal wellbore? XX yes no
If yes, true vertical depth: 1538 feet
Bottom Hole Location: North 500 feetWill Cores Be Taken?: yes no
If yes, proposed zone: Unknown at this timeHORIZONTAL WELLBORE APPLICATION
SOCKET No. 194, 410-C (C-27,909)

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 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 IS COMPLETION, PRODUCTION PIPE SHALL BE CEMENTED FROM BELOW ANY USABLE WATER TO SURFACE WITHIN 120 DAYS OF SPUD DATE. IN ALL CASES, NOTIFY DISTRICT OFFICE PRIOR TO ANY CEMENTING.

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

ate: 4-17-96 Signature of Operator or Agent: Larry Alex Title:

FOR KCC USE:

API # 15- 087-204170101Conductor pipe required NONE feetMinimum surface pipe required 195 feet per Alt. X (2)Approved by: JK 12-13-96This authorization expires: 6-13-97

(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 ACD-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.

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

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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

the intended well is in a prorated or spaced field, please fully complete this side of the plat. If the intended well is in a prorated or spaced field complete the plat below showing at the well will be properly located in relationship to other wells producing from the same source of supply. Please show all the wells 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.

NO. 15- 087-20,417

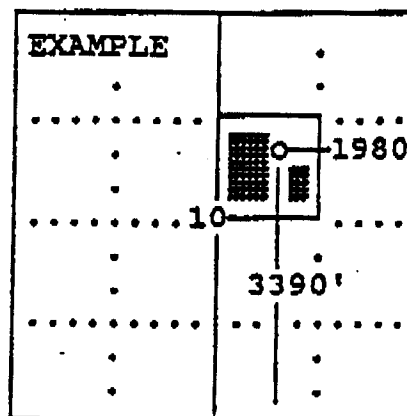
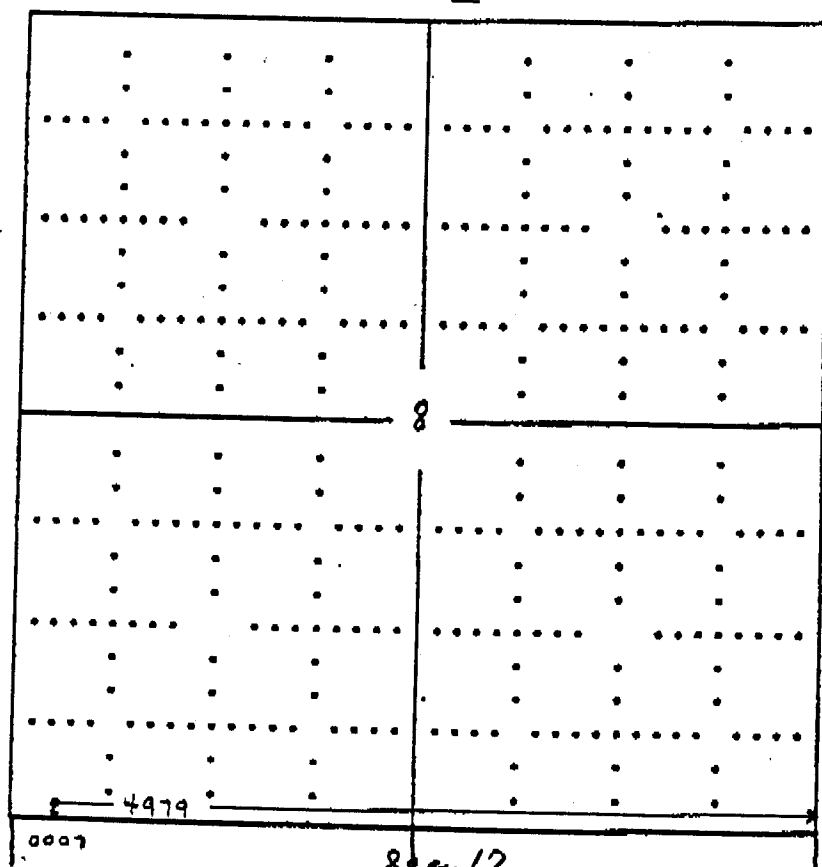
PRORATOR KLM Exploration Company, Inc. LOCATION OF WELL: COUNTY Jefferson
 NAME Wagner 0007 feet from corner/north line of section
 WELL NUMBER 2H 4979 feet from east/west line of section
 FIELD McLouth Storage Field SECTION 08 TWP 10 RG 20

NUMBER OF ACRES ATTRIBUTABLE TO WELL 5 IS SECTION xx REGULAR OR IRREGULAR
 QUOTIENT OF ACREAGE SW - SW - SW 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.)



SEWARD CO.

Sec. 17

Plotting the proposed location of the well, you must show:

- 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.;
- the distance of the proposed drilling location from the section's south/north and east/west; and
- the distance to the nearest lease or unit boundary line.