

EFFECTIVE DATE: \_\_\_\_\_  
DISTRICT # \_\_\_\_\_  
SGA7....Yes....No

State of Kansas  
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date September 1 1998  
month day year

Spot NE.- NE.- SE.. Sec ..7.. Twp ..10 S, Rg 20..  East  West

1920..... feet from South/ North line of Section  
600..... feet from East/ West line of Section  
IS SECTION XX REGULAR  IRREGULAR?

OPERATOR: License # 03133  
Name: KLM EXPLORATION CO., INC.  
Address: 600 E. LAKE, P.O. BOX 151  
City/State/Zip: MCLOUTH, KANSAS 66054  
Contact Person: TORREY HEAD  
Phone: (913) 796-6763

(NOTE: Locate well on the Section Plat on Reverse Side)  
County: JEFFERSON  
Lease Name: SEAVER Well #: 10  
Field Name: MCLOUTH STORAGE FIELD  
Is this a Prorated/Spaced Field? yes  no  
Target Formation(s): MCLOUTH SANDSTONE  
Nearest lease or unit boundary: 600  
Ground Surface Elevation: \_\_\_\_\_ feet MSL  
Water well within one-quarter mile: yes  no  
Public water supply well within one mile: yes  no  
Depth to bottom of fresh water: 75 FEET  
Depth to bottom of usable water: 275 FEET  
Surface Pipe by Alternate: 1  2  
Length of Surface Pipe Planned to be set: 100 FEET  
Length of Conductor pipe required: NONE  
Projected Total Depth: 1600 FEET  
Formation at Total Depth: TOP OF MISSISSIPPI  
Water Source for Drilling Operations:  
... well  farm pond .... other

CONTRACTOR: License #: 05786  
Name: MCGOWN DRILLING

Well Drilled For: Well Class: Type Equipment:  
XX Oil ... Enh Rec XX Infield XX Mud Rotary  
... Gas ... Storage ... Pool Ext. ... Air Rotary  
... GWO ... Disposal ... Wildcat ... Cable  
... Seismic; ... # of Holes ... Other  
... Other .....

If GWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Comp. Date: \_\_\_\_\_ Old Total Depth \_\_\_\_\_

Directional, Deviated or Horizontal wellbore? .... yes  no  
If yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_

Will Cores Be Taken?: .... yes  no  
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. 55-101, 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 II 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.

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

Date: \_\_\_\_\_ Signature of Operator or Agent: \_\_\_\_\_ Title: GENERAL MANAGER  
(TORREY HEAD)

FOR KCC USE:  
API # 15- \_\_\_\_\_  
Conductor pipe required \_\_\_\_\_ feet  
Minimum surface pipe required \_\_\_\_\_ feet per Alt. 1 2  
Approved by: \_\_\_\_\_  
This authorization expires: \_\_\_\_\_  
(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 ACC-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.