

EFFECTIVE DATE: 12-18-90

FORM MUST BE TYPED
FORM C-1 4/90

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

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

Expected Spud Date 12-29-90
month day year

SW NW SE Sec 2 Twp 2 S, Rg 42 East West

OPERATOR: License # 30201
Name: HILLIN-SIMON OIL COMPANY
Address: P. O. BOX 1552
City/State/Zip: MIDLAND, TX 79702
Contact Person: STAN VENABLE
Phone: 915/682-2202

1400 feet from South line of Section
2310 feet from East line of Section
(Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License #: 30480
Name: GRANDALL DRILLING, INC

County: CHEYENNE
Lease Name: Ham 577 Well #: 2-10-1
Field Name: WILDCAT
Is this a Prorated Field? yes no

Well Drilled For: Well Class: Type Equipment:
... Oil ... Inj ... Infield Mud Rotary
 Gas ... Storage ... Pool Ext. ... Air Rotary
... OWWO ... Disposal Wildcat ... Cable
... Seismic; ... # of Holes

Target Formation(s): NIOBRARA
Nearest lease or unit boundary: 1400'
Ground Surface Elevation: 3610' feet MSL

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

Domestic well within 330 feet: ... yes no
Municipal well within one mile: ... yes no
Depth to bottom of fresh water: 150' 100'
Depth to bottom of usable water: 220'

Directional, Deviated or Horizontal wellbore? ... yes no
If yes, total depth location: _____

Surface Pipe by Alternate: 1 ... 2
Length of Surface Pipe Planned to be set: 250'
Length of Conductor pipe required: NONE
Projected Total Depth: 1750'

Formation at Total Depth: NIOBRARA
Water Source for Drilling Operations:
... well ... farm pond other

DWR Permit #: _____
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. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above 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;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. 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: 12-10-90 Signature of Operator or Agent: Stan Venable Title: _____

STAN VENABLE

STAFF OPERATIONS
ENGINEER

FOR KCC USE:

API # 15- 023-20,299-00-00
Conductor pipe required None feet
Minimum surface pipe required 250 feet per Alt. 10
Approved by: mpe 12-13-90
EFFECTIVE DATE: 12-18-90
This authorization expires: 6-13-91
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

STATE COMMISSION

DEC 12 1990

CONSERVATION DIVISION
Wichita, Kansas

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 plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

12/20

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

State Corporation Commission, Conservation Division
200 Colorado Derby Bldg. Wichita, Kansas 67202

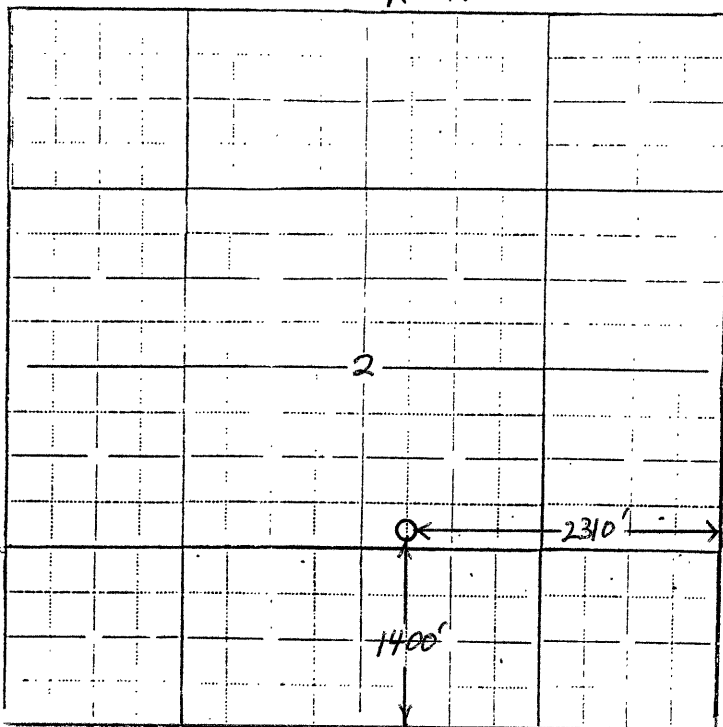
OPERATOR HILLIN-SIMON OIL COMPANY LOCATION OF WELL:
 LEASE Ham 577 1400 feet north of SE corner
 WELL NUMBER 2-10-1 2310 feet west of SE corner
 FIELD WILDCAT Sec. 2 T 2S R 42 ~~E~~/W
 COUNTY CHEYENNE
 NO. OF ACRES ATTRIBUTABLE TO WELL 10 IS SECTION X REGULAR IRREGULAR?
 DESCRIPTION OF ACREAGE SWNWSE Sec 2 CORNER BOUNDARY.

NOTE: If plat depicted is insufficient for your circumstances, you may attach your own scaled or surveyed plat.

PLAT
R-42W

1400' to nearest
lease line

No offsets



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 partial sections, 4 sections, 16 sections, etc.;
- 2) the well's location relative to the location of other wells producing from the same common source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;
- 3) the distance of the proposed drilling location from the section's east and south lines; and
- 4) the distance to the nearest lease or unit boundary line.

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

Signature of Operator or Agent Stan Venable **STAN VENABLE**

Date 12-10-90 Title STAFF OPERATIONS ENGINEER