

FORM MUST BE TYPED
FORM C-1 12/88

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 November 11, 1989
month day year

Approx. C SE SE Sec 16, Twp 7, S, Rg 20 East West

OPERATOR: License # 04981
Name: Cholla Resources, Inc.
Address: 1641 California St., Suite #400
City/State/Zip: Denver, Colorado 80202
Contact Person: William Goff
Phone: (303)-623-4565

660 feet from South line of Section
660 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 8241
Name: Emphasis Oil Operations

County: Rooks
Lease Name: M. Sammons Well #: 1-16
Field Name: None D/Known
Is this a Prorated Field? yes X no
Target Formation(s): Arbuckle
Nearest lease or unit boundary: 660
Ground Surface Elevation: 2079 feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 900'
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor pipe required: N/A
Projected Total Depth: 3800'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: well X farm pond other

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

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

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

DWR Permit #: ...
Will Cores Be Taken? yes X no
If yes, proposed zone: ...

AFFIDAVIT

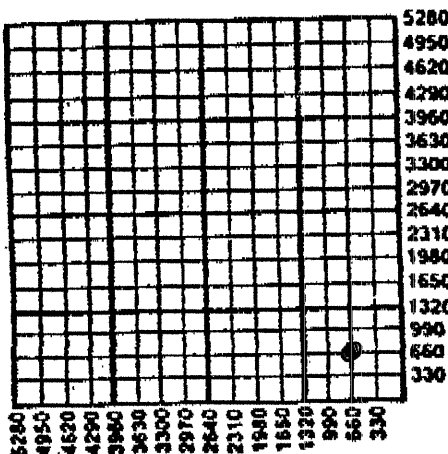
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 11-6-89 Signature of Operator or Agent: [Signature] Title: Agent



NOV - 6 1989
11-6-89
CONSERVATION DIVISION

FOR USE: Search, Inc. As Agent 11/06/89
API # 15-163-23068-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X 2
Approved by: DPW 11-06-89
EFFECTIVE DATE: 11-11-89
This authorization expires: 5-06-90
(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 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.

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20W