

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date.....02/02/88.....
month day year

API Number 15- 121-26,882-00-00

OPERATOR: License #.....6251.....

XX East

Name.....BALLON OIL WELL SERVICE.....

NW SW SE Sec. 26... Twp. 17... S, Rg. 21... West

Address.....ROUTE #5, BOX 149.....

688..... Ft. from South Line of Section

City/State/Zip.....PAOLA,.....66071.....

2200..... Ft. from East Line of Section

Contact Person.....A. E. BALLON.....

(Note: Locate well on Section Plat on reverse side)

Phone.....(913) 294-4777.....

Nearest lease or unit boundary line688..... feet

CONTRACTOR: License #4441.....

County.....Miami.....

Name.....Reusch Well Service.....

Lease Name.....Gallagher..... Well #.....A-1.....

City/State.....Ottawa, Kansas.....66067.....

Ground surface elevation feet MSL

Well Drilled For: Well Class: Type Equipment:

Domestic well within 330 feet: _____ yes XX no

XX Oil _____ Storage XX Infield XX Mud Rotary

Municipal well within one mile: _____ yes XX no

_____ Gas _____ Inj _____ Pool Ext. _____ Air Rotary

Depth to bottom of fresh water.....

_____ OWWO _____ Expl _____ Wildcat _____ Cable

Depth to bottom of usable water 200

If OWWO: old well info as follows:

Surface pipe by Alternate: 1 _____ 2 XX

Operator.....

Surface pipe planned to be set 20

Well Name.....

Conductor pipe required.....

Comp Date..... Old Total Depth.....

Projected Total Depth 600

Formation.....Squirtirel.....

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.

Date 02/02/88..... Signature of Operator or Agent

Greg Engleman

Title As Agent.....

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 20 feet per Alt. X 2

This Authorization Expires 8-2-88 Approved By *Per 2-2-88*

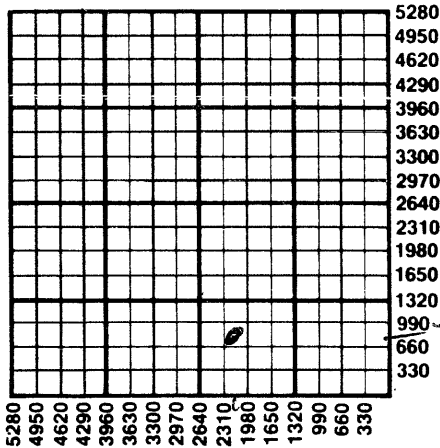
EFFECTIVE DATE: 2-7-88

Must be filed with the K.C.C. five (5) days prior to commencing well
 This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.
2. Set surface casing by circulating cement to the top.
3. File completion forms ACO-1 with K.C.C. within 120 days of well spud date, following instructions on ACO-1, side 1, and including copies of wireline logs.
4. Notify District office 48 hours prior to old well workover or re-entry.
5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.
6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.
7. Obtain an approved injection docket number before disposing of salt water.
8. Notify K.C.C. within 10 days when injection commences or terminates.
9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

A Regular Section of Land
1 Mile = 5,280 Ft.



FEB 2 1988

CONSERVATION DIVISION
 Wichita, Kansas

02-02-88

State Corporation Commission of Kansas
 Conservation Division
 200 Colorado Derby Building
 Wichita, Kansas 67202-1212
 (316) 263-3238