

CARD MUST BE TYPED

State of Kansas
NOTICE OF INTENTION TO DRILL

CARD MUST BE SIGNED

(see rules on reverse side)

Starting Date: July 22 1985
month day year 1:32

API Number 15- 015-22,768-00-00

OPERATOR: License # 5171
Name TXO Production Corp.
Address 200 W. Douglas, Suite 300
City/State/Zip Wichita, KS 67202
Contact Person Jerry W. Collins
Phone 316-265-9441

SE SW NW
(location) Sec . 31 Twp . 27 S, Rge 3... East West

2970 Ft North from Southeast Corner of Section
4290 Ft West from Southeast Corner of Section
(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License # 5108
Name McAllister Drilling
City/State Wichita, KS 67202

Nearest lease or unit boundary line 330 feet.
County Butler
Lease Name CARNEY "C" Well# 1

Well Drilled For: Well Class: Type Equipment:
 Oil Swd Infield Mud Rotary
 Gas Inj Pool Ext. Air Rotary
 OWWO Expl Wildcat Cable

Domestic well within 330 feet: yes no
Municipal well within one mile: yes no

If OWWO: old well info as follows:
Operator
Well Name
Comp Date Old Total Depth
Projected Total Depth 2100 feet
Projected Formation at TD Stalnaker
Expected Producing Formations Stalnaker

Depth to Bottom of fresh water 100 ~ 125' feet
Lowest usable water formation Unknown
Depth to Bottom of usable water 200 feet
Surface pipe by Alternate: 1 2
Surface pipe to be set 250 feet
Conductor pipe if any required 0 feet
Ground surface elevation TBD feet MSL
This Authorization Expires 1-19-86
Approved By 7-19-85

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

Date 7-18-85 Signature of Operator or Agent

Jerry W. Collins Title Drlg & Completion Engr
RCH for KOHE

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.

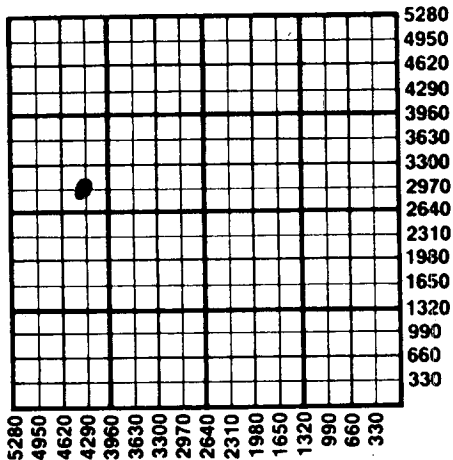
RECEIVED
 STATE CORPORATION COMMISSION

7/19/85
 JUL 19 1985

Important procedures to follow:

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

CONSERVATION DIVISION
 Wichita, Kansas



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 90 days of well completion, 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 plugging, prepare a plugging plan, then obtain agreement from the appropriate district office for an approved plugging plan.
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.

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