

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

10

Expected Spud Date... ^{Aug} August 17, 1988
month day year

API Number 15- 163-23,014-00-00

OPERATOR: License # 8735
Name S. & M. OIL COMPANY
Address 205 North Jefferson
City/State/Zip Plainville, Kansas 67663
Contact Person Steve Crawford
Phone 1-(913)-434-2829

East
C. NE NW Sec. 7 Twp. 9 S, Rg. 16 West
4620 FSL Ft. from South Line of Section
3300 FEL Ft. from East Line of Section

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

CONTRACTOR: License # 4083
Name Western Kansas Drilling
City/State Hays, Kansas

Nearest lease or unit boundary line 660 feet
County Rooks County
Lease Name Kern Well # 1

Ground surface elevation 1960 feet feet MSL
Domestic well within 330 feet: yes no
Municipal well within one mile: yes no

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

Depth to bottom of fresh water 150'
Depth to bottom of usable water 950'
Surface pipe by Alternate: 1 2 X

If OWWO: old well info as follows:

Surface pipe planned to be set 200 feet
Conductor pipe required
Projected Total Depth 3400 feet feet
Formation ARBUCKLE

Operator
Well Name
Comp Date Old Total Depth

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

Date 8./15./88 Signature of Operator or Agent Jeffrey O Dyk Title AGENT

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 200' feet per Alt. X (2)

This Authorization Expires 8-16-89 Approved By LKM 8-16-88

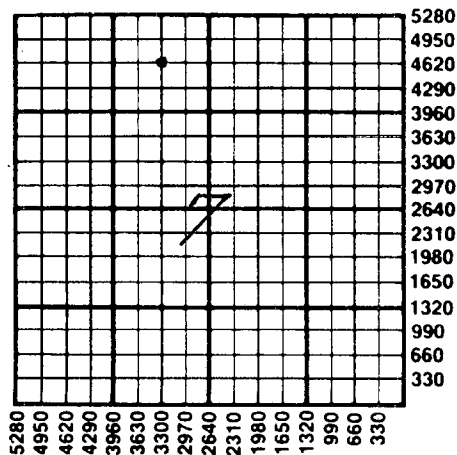
EFFECTIVE DATE: 8-21-88

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.



Received:

8-16-1988

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