

FOR KCC USE:

FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 2-15-97

State of Kansas

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

SGA? Yes No

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

Expected Spud Date March 15 1997
month day year

Spot 30'N East
CW/2-NE...-SW... Sec .12. Twp .9... S, Rg .17. X West

OPERATOR: License # 8735
Name: S. & M. Oil
Address: 2730 Thunderbird Drive
City/State/Zip: Hays, Kansas 67601
Contact Person: Steve Crawford
Phone: (913) 628-3658

2010 feet from South North line of Section
3630 feet from East West line of Section
IS SECTION X REGULAR IRREGULAR?

CONTRACTOR: License #: 31548
Name: Discovery Drilling, Inc.

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Rooks
Lease Name: McClay Well #: 12
Field Name: Westhusin

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

Is this a Prorated/Spaced Field? ... yes X no
Target Formation(s): Arbuckle
Nearest lease or unit boundary: 1650'
Ground Surface Elevation: 2000 Est. feet MSL

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

Water well within one-quarter mile: ... yes X no
Public water supply well within one mile: ... yes X no
Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 800'

Directional, Deviated or Horizontal wellbore? ... yes X no
If yes, true vertical depth: _____
Bottom Hole Location: _____

Surface Pipe by Alternate: ... 1 X 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor pipe required: None
Projected Total Depth: 3500

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

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. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below 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;
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. 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: Feb. 7, 1997 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE:
API # 15- 163-232970000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: [Signature] 2-10-97

This authorization expires: 8-10-97
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

Handwritten notes and stamps: 2/10/97, 163-232970000, API # 15-201

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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202.

Vertical handwritten text on the right margin: 12, 9, 17W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

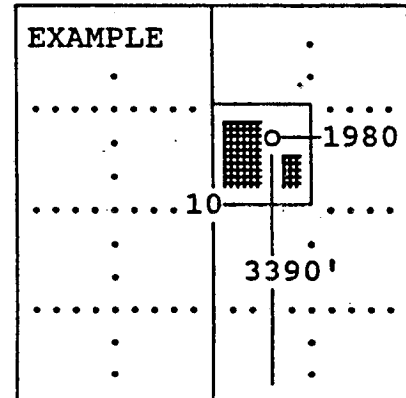
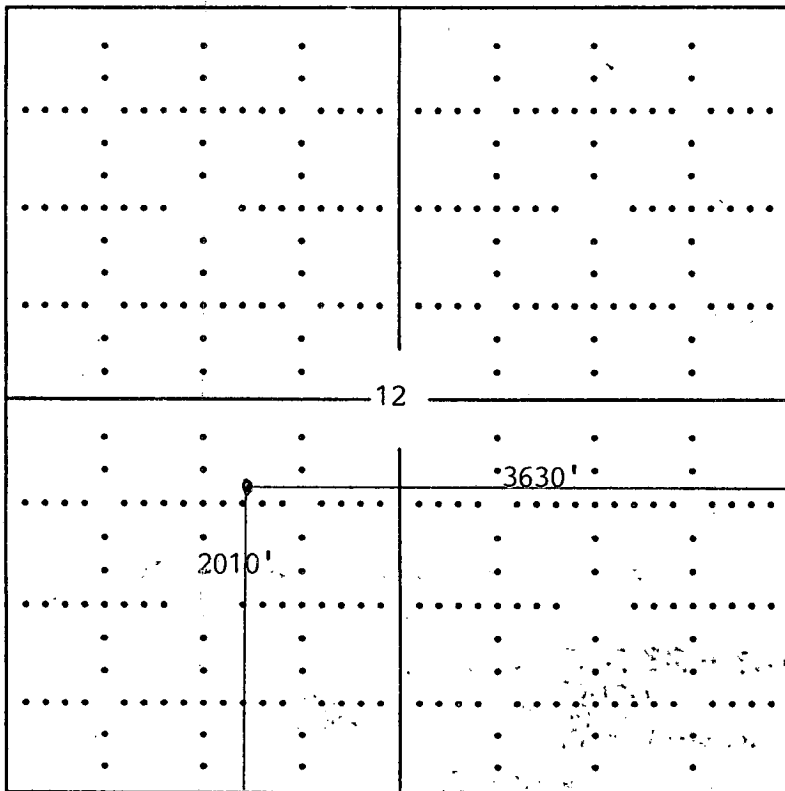
API NO. 15- _____
 OPERATOR S & M Oil LOCATION OF WELL: COUNTY Rooks
 LEASE McClay 2010 feet from south/~~north~~ line of section
 WELL NUMBER 12 3630 feet from east/~~west~~ line of section
 FIELD Westhusin SECTION 12 TWP 9s RG 17w

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**

Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



SEWARD CO.

Rooks Co.

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 sections, 4 sections, etc.;
- 2) the distance of the proposed drilling location from the section's south/north and east/west; and
- 3) the distance to the nearest lease or unit boundary line.