

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

VDR

Expected Spud Date. 8 4 88
month day year

API Number 15-179-20,930-00-00

OPERATOR: License # 5135

SW NE NE Sec 20 Twp. 9 S, Rg. 30 East
West

Name John O. Farmer, Inc.

4290 Ft. from South Line of Section

Address P.O. Box 352

990 Ft. from East Line of Section

City/State/Zip Russell, KS 67665

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

Contact Person Sam Farmer

Nearest lease or unit boundary line 990 feet

Phone (913) 483-3144

County Sheridan

CONTRACTOR: License # ~~758~~ 8241

Lease Name Baalman Well # 3

Name Emphasis Oil Operations

Ground surface elevation 2916 est. feet MSL

City/State Russell, KS 67665

Domestic well within 330 feet: yes no

Well Drilled For: Well Class: Type Equipment:

Municipal well within one mile: yes no

X Oil Storage Infield X Mud Rotary

Depth to bottom of fresh water 200' 235'

Gas Inj Pool Ext Air Rotary

Depth to bottom of usable water 1600'

OWWO Expl X Wildcat Cable

Surface pipe by Alternate: 1 2 X

If OWWO: old well info as follows:

Surface pipe planned to be set 250'

Operator

Conductor pipe required none

Well Name

Projected Total Depth 4250 feet

Comp Date Old Total Depth

Formation Lansing

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

Date 7-28-88 Signature of Operator or Agent

John O. Farmer

Title President

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 250' feet per Alt. X (2)

This Authorization Expires 1-29-89 Approved By LKM 7-29-88

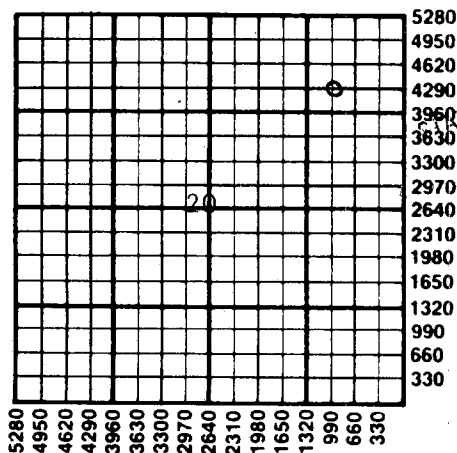
EFFECTIVE DATE: 8-3-88

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 plugged, 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
STATE CORPORATION COMMISSION
JUL 29 1988
07-29-1988
CONSERVATION DIVISION
Wichita, Kansas

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