

EFFECTIVE DATE: 5-7-2000

FORM MUST BE TYPED

DISTRICT # 4

State of Kansas

FORM MUST BE SIGNED

SGA? Yes No

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

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

Expected Spud Date May 7th 2000  
month day year

Spot 260'E East  
C N/2-NE Sec 2 Twp 9S S, Rg 26W X West

OPERATOR: License # 6622  
Name: JASON OIL COMPANY  
Address: P.O. Box 701  
City/State/Zip: Russell, Kansas 67665-0701  
Contact Person: J. L. Schoenberger  
Phone: (785) 483-4204

4620 feet from South/XXXX line of Section  
1060 feet from East/XXXX line of Section  
IS SECTION X REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)  
County: Sheridan

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

Lease Name: Simon Well #: 2  
Field Name:

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

Is this a Prorated/Spaced Field? ... yes X no

Target Formation(s): LKC  
Nearest lease or unit boundary: 660'

Ground Surface Elevation: 2615 Est. feet MSL  
Water well within one-quarter mile: X yes no

Public water supply well within one mile: X yes no  
Depth to bottom of fresh water: 180'  
Depth to bottom of usable water: 1300'

Surface Pipe by Alternate: 1 X 2  
Length of Surface Pipe Planned to be set: 240'

Length of Conductor pipe required: None  
Projected Total Depth: 4050'

Formation at Total Depth: LKC  
Water Source for Drilling Operations:

... well X farm pond ... other

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

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

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: 4/29/00 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE:  
 API # 15- 179-21101-0000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 230 feet per Alt. X(2)  
 Approved by: JK 5-2-2000

This authorization expires: 11-2-2000  
 (This authorization void if drilling not started within 6 months of effective date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

RECEIVED  
STATE CORPORATION COMMISSION

MAY 2 2000  
05-02-2000  
CONSERVATION DIVISION  
Wichita, Kansas

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.

26W

**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.

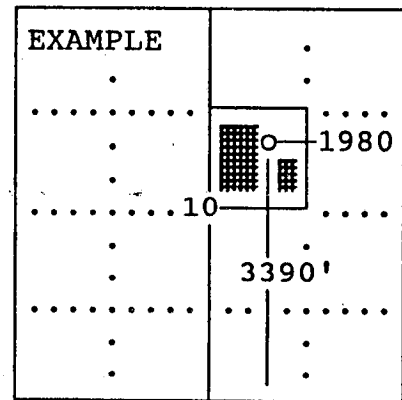
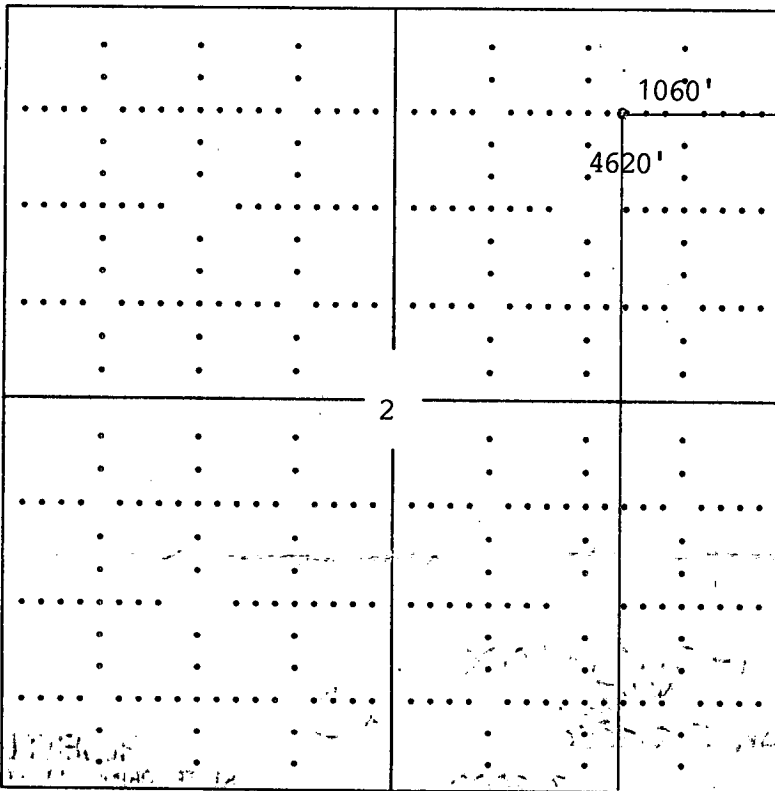
API NO. 15- \_\_\_\_\_  
 OPERATOR JASON OIL COMPANY LOCATION OF WELL: COUNTY Sheridan  
 LEASE Simon 4620 feet from south ~~XXXX~~ line of section  
 WELL NUMBER 1 1060 feet from east ~~XXXX~~ line of section  
 FIELD \_\_\_\_\_ SECTION 2 TWP 9S RG 26w

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.

Sheridan 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, 4 sections, 8 surrounding 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.