

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

✓ 10

Expected Spud Date. 1 15 89
month day year

API Number 15- 179 - 20,937-00-00

OPERATOR: License # 5123

SW SW NW Sec. 32 Twp. 10 S, Rg. 30 X East West
2970 Ft. from South Line of Section
4950 Ft. from East Line of Section

Name Pickrell Drilling Company, Inc.

Address 110 N. Market, Suite 205

City/State/Zip Wichita, KS 67202

Contact Person Jay McNeil

Phone 262-8427

CONTRACTOR: License # 5123

Name Pickrell Drilling Company, Inc.

City/State Wichita, Kansas

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

Nearest lease or unit boundary line 330 feet

County Sheridan

Lease Name Baalman Well # 1-G

Ground surface elevation ? feet MSL

Domestic well within 330 feet: yes X no

Municipal well within one mile: yes X no

Depth to bottom of fresh water 200'

Depth to bottom of usable water 1650' 1700'

Surface pipe by Alternate: 1 2 X

Surface pipe planned to be set 300'+

Conductor pipe required none

Projected Total Depth 4650 feet

Formation Mississippian

Well Drilled For: Well Class: Type Equipment:

X Oil Storage Infield X Mud Rotary

Gas Inj X Pool Ext. Air Rotary

OWWO Expl Wildcat Cable

If OWWO: old well info as follows:

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 1-10-89 Signature of Operator or Agent Title Chief Geologist

For KCC Use:

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

This Authorization Expires 7-10-89 Approved By LRM 1-10-89

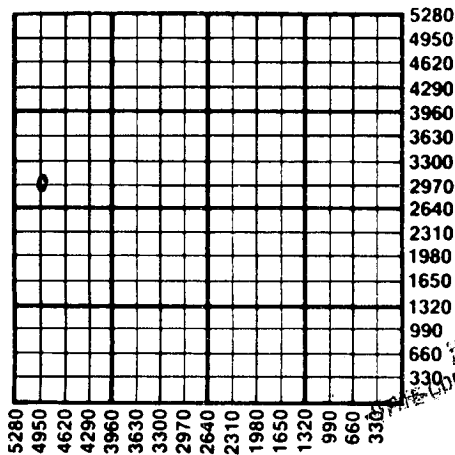
EFFECTIVE DATE: 1-15-89

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
STATE CORPORATION COMMISSION
JAN 10 1989
CONSERVATION DIVISION
Wichita, Kansas

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