

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date. June 12, 1987 month day year

API Number 15- 193-20,440-0000 East

OPERATOR: License # 5255 Name McGinness Oil Company Address 1026 Union Center Bldg. City/State/Zip Wichita, Kansas 67202 Contact Person Doug McGinness Phone (316) 267-6065

SE SE NE Sec. 23 Twp. 10 S, Rg. 33 2970 Ft. from South Line of Section 330 Ft. from East Line of Section

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

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

Nearest lease or unit boundary line 330 feet County Thomas Lease Name Krug Well # 1-23

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

Ground surface elevation N/A 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 1700' Surface pipe by Alternate: 1 2 X Surface pipe planned to be set 350' Conductor pipe required None Projected Total Depth 4780' feet Formation Mississippi

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 06/05/87 Signature of Operator or Agent Title President

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per Alt. This Authorization Expires 12-5-87 Approved By 6-5-87

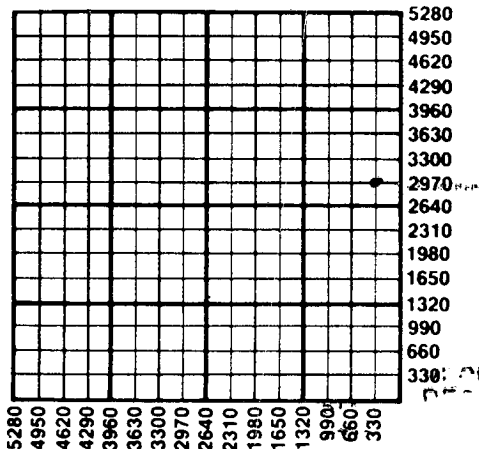
Handwritten signature and initials at bottom right.

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.



JUN 5 - 1987
6-5-87
CONSERVATION DIVISION
Wichita, Kansas

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