

15-199-20177-00-00

FORM MUST BE TYPED
FORM C-1 12/88

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

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

Expected Spud Date 7/15/89
month day year

Ap. C... NW... SW... Sec 5... Twp 11... S, Rg 41... East West

OPERATOR: License # 9598
Name: S & J Operating Company
Address: P O Box 2249
City/State/Zip: Wichita Falls, Texas 76307
Contact Person: Sandy Robertson
Phone: (817) 723-2166

..... 1970 feet from South line of Section
4310 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 5302
Name: Red Tiger Drilling Company

County: Wallace
Lease Name: Nelson Well #: 1
Field Name: Wildcat
Is this a Prorated Field? yes no
Target Formation(s): Niobrara, Morrow, Mississippi
Nearest lease or unit boundary: 1000' 970'
Ground Surface Elevation: 3854 feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 154 180'
Depth to bottom of usable water: 2500
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: 5400
Formation at Total Depth: Mississippi

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

Water Source for Drilling Operations:
... well farm pond X other
DWR Permit #: farmers water well
Will Cores Be Taken? CONSERVATION COMMISSION yes X no
If yes, proposed zone:

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

Directional, Deviated or Horizontal wellbore? yes ... X no
If yes, total depth location:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

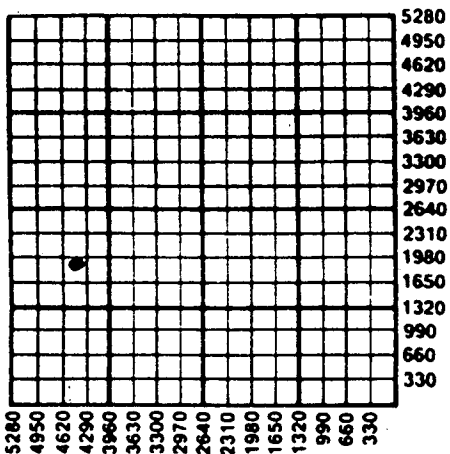
- 1. The appropriate district office shall be notified before setting surface pipe;
- 2. The minimum amount of surface pipe as specified above shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
- 3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 5. 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: July 5, 1989 Signature of Operator or Agent: Sandy Robertson Title: Petroleum Engineer

7-6-1989
7-6-1989
CONSERVATION DIVISION
WICHITA, KANSAS

FOR KCC USE:
API # 15- 199-20,177
Conductor pipe required NONE feet
Minimum surface pipe required 200' feet per Alt. X(2)
Approved by: DLW 7-06-89
EFFECTIVE DATE: 7-11-89
This authorization expires: 1-06-90
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:



- 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.