

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date April 28, 1989
month day year

C - NW - NW Sec 1 Twp 12 S, Rg 16 West

OPERATOR: License # 5418
Name: ALLEN DRILLING COMPANY
Address: P.O. Box 1389
City/State/Zip: Great Bend, KS 67530
Contact Person: Doug Hoisington
Phone: 316-793-5877

4620 feet from South line of Section
4620 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 5418
Name: ALLEN DRILLING COMPANY

County: Ellis
Lease Name: NATIONAL LOAN COMPANY Well #: 2-1
Field Name: Blue Hill NW

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

Is this a Prorated Field? ... yes X no
Target Formation(s): Lansing-KC
Nearest lease or unit boundary: 660'
Ground Surface Elevation: 1764 feet MSL
Domestic well within 330 feet: ... yes X no
Municipal well within one mile: ... yes X no
Depth to bottom of fresh water: 50' 150'
Depth to bottom of usable water: 250' 530'
Surface Pipe by Alternate: X 1 ... 2
Length of Surface Pipe Planned to be set: 500' of 8-5/8"
Length of Conductor pipe required: NA 550'
Projected Total Depth: 3460'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
... well ... farm pond X other
DWR Permit #: ...
Will Cores Be Taken? ... 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 ... no
If yes, total depth location: ...

AFFIDAVIT

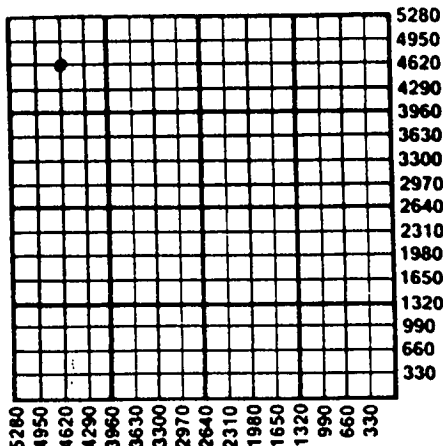
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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

1. 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: 3/30/89 Signature of Operator or Agent: Jeffrey R. Zoller Title: Exploration Manager.



RECEIVED
STATE CORPORATION COMMISSION
3-31-1989
MAR 31 1989
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
15-051-24,585 ✓
Conductor pipe required NONE feet
Minimum surface pipe required 550' feet per Alt ① X
Approved by: LKM 3-31-89
EFFECTIVE DATE: 4-5-89
This authorization expires: 10-1-89
(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 prorations 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.