

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 11 13 85 month day year 2:05

API Number 15- 163-22,815-0000

OPERATOR: License # 5171
Name TXO Production Corp.
Address 155 N. Market, Suite 1000
City/State/Zip Wichita, KS 67202
Contact Person Jerry W. Collins
Phone 316-269-7600

N/2 NE NE Sec. 34 Twp. 10 S, Rg. 20
4950 Ft. from South Line of Section
660 Ft. from East Line of Section

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

CONTRACTOR: License # 5422
Name Abercrombie Drilling, Inc.
City/State Wichita, KS 67202

Nearest lease or unit boundary line 330 feet

County Rooks

Lease Name TOWNS Well # 3

Ground surface elevation TBD feet MSL

Well Drilled For: Well Class: Type Equipment:
[X] Oil ___ SWD ___ Infield [X] Mud Rotary
___ Gas ___ Inj [X] Pool Ext. ___ Air Rotary
___ OWWO ___ Expl ___ Wildcat ___ Cable

Domestic well within 330 feet: ___yes [X]no

Municipal well within one mile: ___yes [X]no

Surface pipe by Alternate: 1 ___ 2[X] ___

Depth to bottom of fresh water 100

Depth to bottom of usable water 800 feet

Surface pipe planned to be set 250

Projected Total Depth 3750 feet

Formation Arbuckle

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.

___ cementing will be done immediately upon setting production casing

Date 11-12-85 Signature of Operator or Agent Title, Drlg. & Completion Engr.

For KCC Use:

Conductor Pipe Required ___ feet; Minimum Surface Pipe Required ___ feet per ft. 1 2

This Authorization Expires 5-12-86 Approved By 11-12-85

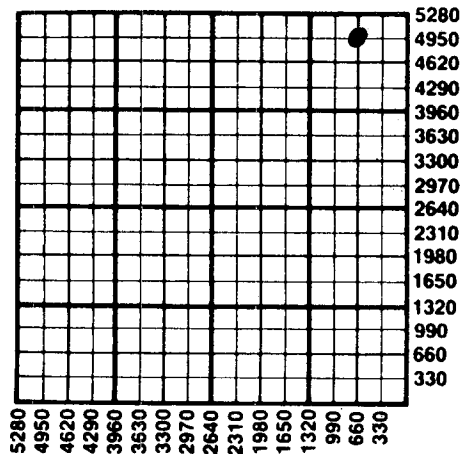
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CONSERVATION DIVISION

Wichita, Kansas

A Regular Section of Land

1 Mile = 5,280 Ft.



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 90 days of well completion, 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.

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