

EFFECTIVE DATE: 6-17-97

State of Kansas

FORM MUST BE TYPED

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA? Yes No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date June 16th 1997

Spot 85W of NE NE SW Sec 30 Twp 9S S, Rg 21W West

OPERATOR: License # 6622 Name: JASON OIL COMPANY Address: P.O. Box 701 City/State/Zip: Russell, Kansas 67665-0701 Contact Person: J.L. Schoenberger Phone: (913) 483-4204

2310 feet from South line of Section 2970 3055 feet from East line of Section IS SECTION X REGULAR IRREGULAR?

CONTRACTOR: License #: 31548 Name: Discovery Drilling, Inc.

(NOTE: Locate well on the Section Plat on Reverse Side)

Well Drilled For: Well Class: Type Equipment: X Oil Enh/Rec X Infield X Mud Rotary Gas Storage Pool Ext Air Rotary OWWO Disposal Wildcat Cable Seismic # of Holes Other

County: Graham Lease Name: Smith "D" Well #: 3 Field Name: Harrold West Is this a Prorated/Spaced Field? yes X no Target Formation(s): Lansing KC Nearest lease or unit boundary: 330' Ground Surface Elevation: 2350 EST feet MSL Water well within one-quarter mile: yes X no Public water supply well within one mile: yes X no Depth to bottom of fresh water: 160' Depth to bottom of usable water: 1000' 1050' 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: 3900' Formation at Total Depth: Arbuckle Water Source for Drilling Operations: well X farm pond other

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

Directional, Deviated or Horizontal wellbore? yes X no If yes, true vertical depth: Bottom Hole Location:

Will Cores Be Taken? yes X no If yes, proposed zone:

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. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below 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;
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. 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: June 10, 1997 Signature of Operator or Agent: Title: Agent

FOR KCC USE: API # 15- 065-227860000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. X(2) Approved by: JK 6-12-97 This authorization expires: 12-12-97 (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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202.

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30 9 21W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

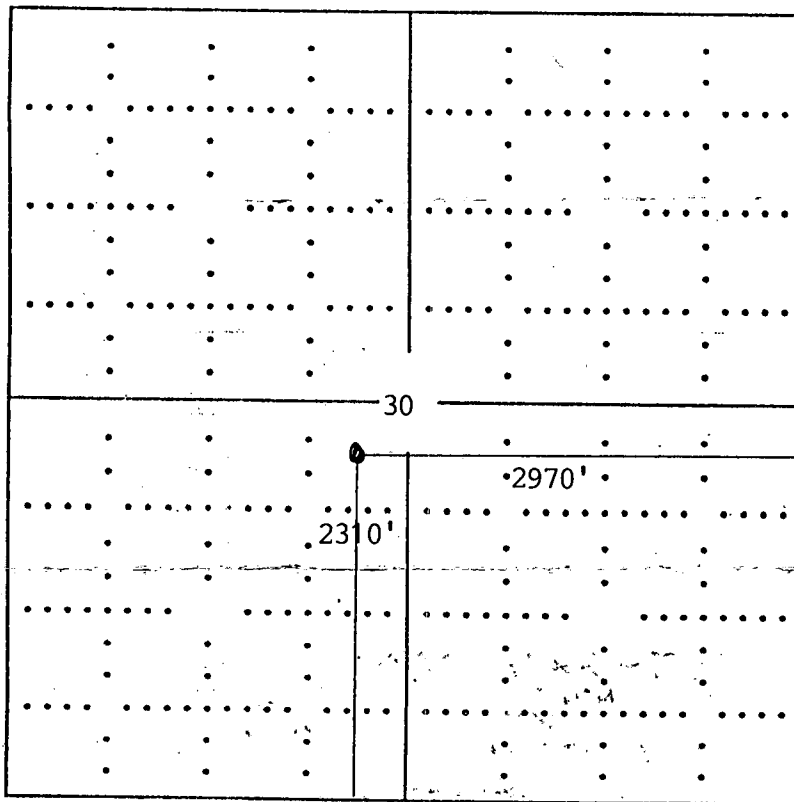
API NO. 15- _____
 OPERATOR JASON OIL COMPANY LOCATION OF WELL: COUNTY Graham
 LEASE Smith "D" # 3 _____ 2310 feet from south/north line of section
 WELL NUMBER 3 _____ 2970 feet from east/west line of section
 FIELD Harrold West _____ SECTION 30 TWP 9s RG 21w

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER-BOUNDARY**

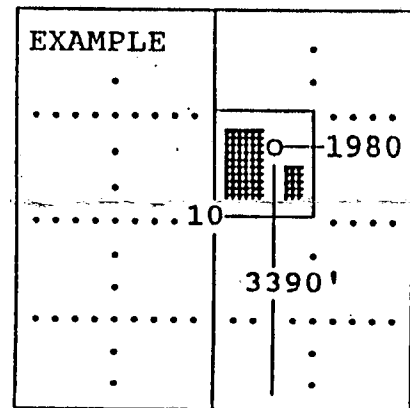
Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



Graham Co.



SEWARD CO.

In plotting the proposed location of the well, you must show:

- 1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.;
- 2) the distance of the proposed drilling location from the section's south/north and east/west; and
- 3) the distance to the nearest lease or unit boundary line.