

EFFECTIVE DATE: 4/3/90

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

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

Expected Spud Date April 2 1990
month day year

SE NE SW Sec 16 Twp 11 S, Rg 16 East West

1650 feet from South line of Section
2970 feet from East line of Section

(Note: Locate well on Section Plat Below)

OPERATOR: License # 5252
Name: R.P. Nixon Oper. Inc.
Address: 207 W. 12th
City/State/Zip: Hays, KS. 67601
Contact Person: Dan Nixon
Phone: 913-628-3834

County: Ellis
Lease Name: Craig Well #: 3
Field Name: Lieb East

Is this a Prorated Field? yes X no
Target Formation(s): Toronto, Lansing

Nearest lease or unit boundary: 330
Ground Surface Elevation: 1985 feet MSL

Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no

Depth to bottom of fresh water: 40
Depth to bottom of usable water: 600

Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 955' already set

Length of Conductor pipe required: 3349 set
Projected Total Depth: 3349

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:

... well X farm pond ... other
DWR Permit #: Pete Braun pond

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

CONTRACTOR: License #: 5128
Name: Jay-Lan Corp.

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

If OWWO: old well information as follows:
Operator: Shields Oil
Well Name: Craig # 3
Comp. Date: 9-16-60 Old Total Depth: 3349
ND PIA report found

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

AFFIDAVIT

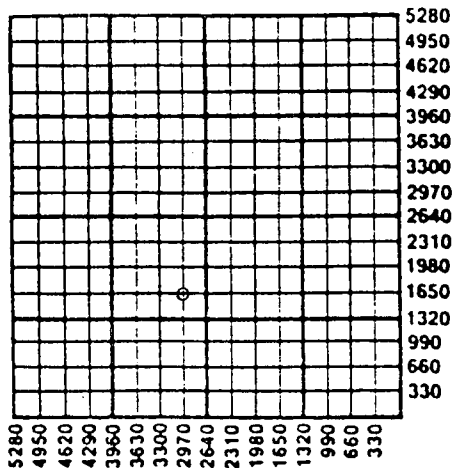
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 3-26-90 Signature of Operator or Agent: [Signature] Title: President



RECEIVED STATE DEPARTMENT OF CONSERVATION

MAR 29 1990

CONSERVATION DIVISION Wichita, Kansas

03-29-90

FOR KCC USE:
API # 15- 051-01,076-0002
Conductor pipe required NONE feet
Minimum surface pipe required 620 feet per Alt. X
Approved by: [Signature] 3/29/90
EFFECTIVE DATE: 4/3/90
This authorization expires: 9/28/90
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

16 11 16

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.