

FOR KCC USE:

* CORRECTION

FORM C-1 7/91

EFFECTIVE DATE: 10-27-92
DISTRICT # 4
S.G.A. no yes

15-051-24814-0000 FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED
SGA?....Yes....No

State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date ..10.....23.....92.....
month day year

Spot _____ East
C N/2- .SE.- .NE.. Sec .18.. Twp .11S. S, Rg .17.. _X West

OPERATOR: License # ..3613.....
Name: .Hallwood Petroleum, Inc.....
Address: .4582 S. Ulster Street Parkway, Suite #1700.....
City/State/Zip: .Denver, Colorado 80237.....
Contact Person: ...George Hutton.....
Phone:316/792-2756.....

.....3630..... feet from South / North line of Section
.....660..... feet from East / West line of Section
IS SECTION X REGULAR _____ IRREGULAR?

CONTRACTOR: License #:5929.....
Name:DUKE DRILLING CO., 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
... Other

County:Ellis.....
Lease Name:Kollman..... Well #: ...12.....
Field Name: ...Bemis-Shutts.....
Is this a Prorated/Spaced Field? yes ..X. no
Target Formation(s):LKC Arbuckle.....
Nearest lease or unit boundary: ...660.....
Ground Surface Elevation:1835..... 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:450.....
Depth to bottom of usable water:540.....
* Surface Pipe by Alternate: .X. 1 2
* Length of Surface Pipe Planned to be set:800.....
Length of Conductor pipe required: ...0.....
Projected Total Depth: ...3500.....
Formation at Total Depth: ...Arbuckle.....
Water Source for Drilling Operations:
... well farm pond ..X. other

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

DWR Permit #:
Will Cores Be Taken?: yes .X. no
If yes, proposed zone:

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

**** Was at 2 & 200' S.C.**

AFFIDAVIT ** Is alt. I & 560' S.C.

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: 11/20/92 Signature of Operator or Agent: [Signature] Title: Dr. Eng. Tech.

Cor 11/24/92

FOR KCC USE:
API # 15- 051-24814
Conductor pipe required None feet
Minimum surface pipe required 560' feet per Alt. X
Approved by: CB 10-22-92
This authorization expires: 4-22-93
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
STATE CORPORATION COMMISSION
NOV 23 1992

Wichita, Kansas

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: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

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 Hallwood _____
 LEASE Kollman _____
 WELL NUMBER 12 _____
 FIELD Bemis-Shutts _____

LOCATION OF WELL: COUNTY Ellis _____
3630 feet from south/north line of section
660 feet from east/west line of section
 SECTION 18 TWP 11S RG 17W

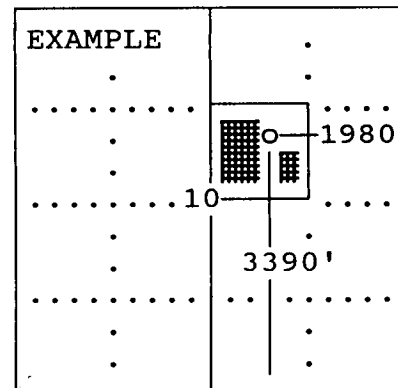
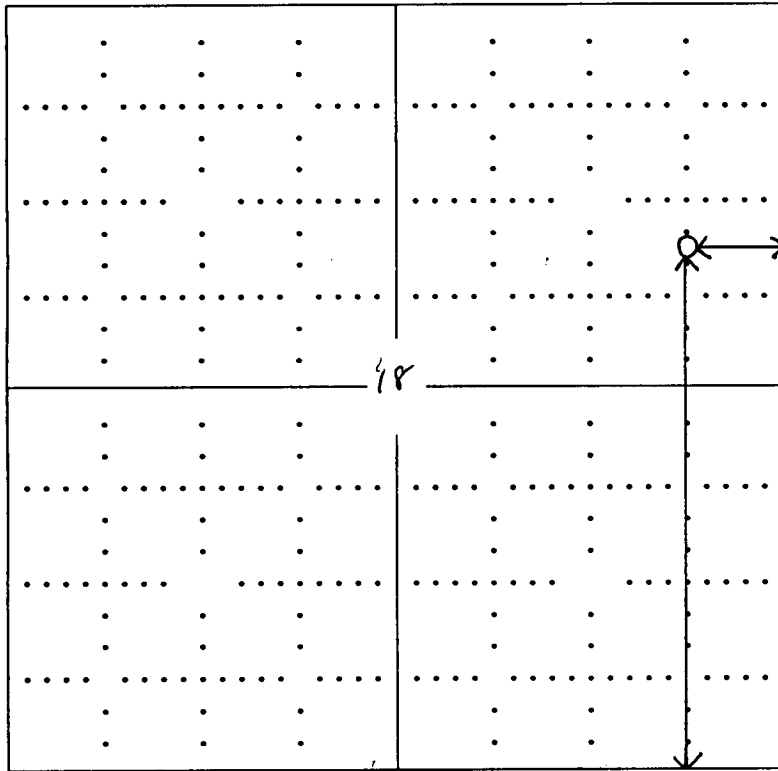
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____ - _____ - _____

IS SECTION _____ REGULAR or _____ IRREGULAR
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.)



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.