

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 12-23-89

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

Expected Spud Date 12/23/89 month day year

12 REGULAR SECTION * NW NW NW Sec 31 Twp 13 S, Rg 42 X East West

4950' feet from South line of Section * 5000' feet from East line of Section

(Note: Locate well on Section Plat Below)

OPERATOR: License # 6417 Name: UNION PACIFIC RESOURCES COMPANY Address: P.O. BOX 7 MS. 3407 City/State/Zip: FORT WORTH, TEXAS 76101-0007 Contact Person: JOY L. PROHASKA Phone: (817) 877-7956

County: WALLACE * Lease Name: EAGLE-MARGERITE Well #: 1(11-31) Field Name: WILDCAT-UNKNOWN

CONTRACTOR: License # 5146 Name: RAINS & WILLIAMSON

Is this a Prorated Field? MORROW yes X no Target Formation(s): MORROW

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

* Nearest lease or unit boundary: 330' FWL * Ground Surface Elevation: 3880' feet MSL

If OAWO: old well information as follows: Operator: NOT APPLICABLE Well Name: Comp. Date: Old Total Depth:

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

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

Depth to bottom of fresh water: 200' Depth to bottom of usable water: 1500' 1950'

WAS: Section 13

IS: Section 31

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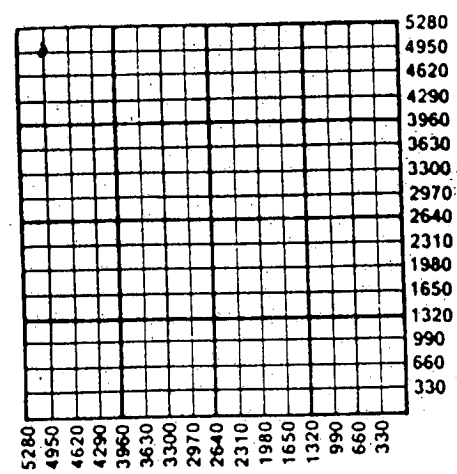
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 12-8-89 Signature of Operator or Agent: J.L. PROHASKA Title: REGULATORY ANALYST



FOR KCC USE: 2-19-90 API # 15-199-20,184 Conductor pipe required NONE feet Minimum surface pipe required 220' feet per Alt. X(2) Approved by: DPW 12-18-89 ORIG; DPW 12-22-89 EFFECTIVE DATE: 12-23-89 This authorization expires: 6-18-90 (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.