

FOR KCC USE:

15-109-20663-0000 FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 11-19-97

State of Kansas

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

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

SCAT Yes No

Expected Spud Date November 18 1997

Spot 140 W of NW NW NE Sec 25 Twp 14 S, Rg 33 East

OPERATOR: License # 5144 Mull Drilling Company, Inc. P.O. Box 2758 Wichita KS 67201-2758 Scott Hampel (316) 264-6366

330 feet from South line of Section 2450 feet from East line of Section IS SECTION X REGULAR IRREGULAR?

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

County: Logan Lease Name: McGuire-SVGA Well #: 1-25 Field Name: Wildcat

CONTRACTOR: License #: 5393 or (30684) Abercrombie Drilling, Inc.

Is this a Prorated/Spaced field? yes X no Target Formation(s): Mississippian

Nearest lease or unit boundary: 330' Ground Surface Elevation: 2682 feet MSL

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

Water well within one-quarter mile: X yes no Public water supply well within one mile: yes X no

Depth to bottom of fresh water: 150' Depth to bottom of usable water: 1030'

Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: 200'

Length of Conductor pipe required: N/A Projected Total Depth: 4450'

Formation at Total Depth: Mississippian 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

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:

\* LEASE COVERS NE/4 OF NW/4 AND NW/4 OF NE/4

AFFIDAVIT SEC 25-14-33W

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: 11/12/97 Signature of Operator or Agent: Scott E. Hampel Title: Vice President Production and Engineering

FOR KCC USE: API # 15- 109-206630000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. X(2) Approved by: SK 11-14-97 This authorization expires: 5-14-98 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

RECEIVED KANSAS CORPORATION COMMISSION

NOV 12 1997

11-12-97 CONSERVATION DIVISION WICHITA, KS

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 2078, Wichita, Kansas 67202.

25 14 33W

**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 MULL DRILLING CO., INC  
 LEASE McGUIRE-SVGA  
 WELL NUMBER #1-25  
 FIELD WILDCAT

LOCATION OF WELL: COUNTY LOGAN  
330 feet from south/north line of section  
2450 feet from east/west line of section  
 SECTION 25 TWP 14S RG 33W

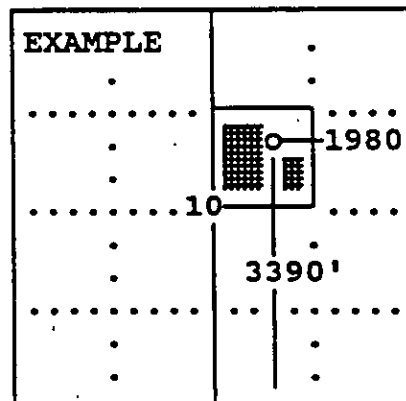
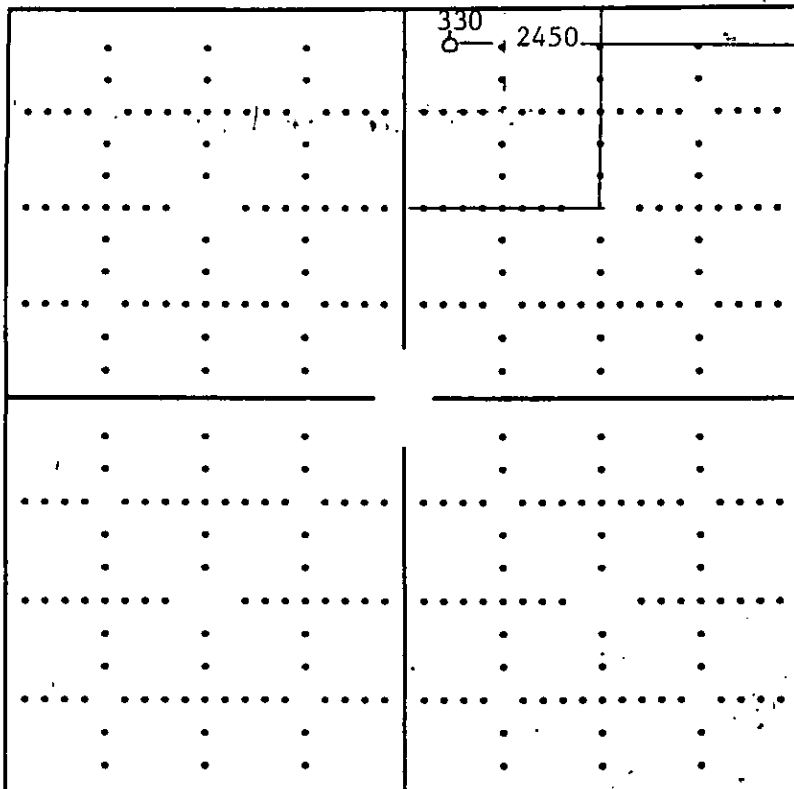
NUMBER OF ACRES ATTRIBUTABLE TO WELL 40  
 QTR/QTR/QTR OF ACREAGE NW - NW - NE

IS SECTION 1 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.

15-109-20663-00-00 110 917

AMENDMENT TO OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, on December 4, 1995, SMOKY VALLEY GRAZING ASSOCIATION, INC., did execute and deliver to Rheem Resources, Inc. an Oil and Gas Lease which was recorded in Book 107, Pages 583-587 of the Logan County Register of Deeds (hereinafter referred to as "Lease") and on October 23, 1996, Rheem Resources, Inc. assigned said lease to Mull Drilling Company, Inc. (hereinafter referred to as Lessee), which was recorded on November 1, 1996 in Book 108, Pages 09-23 of the Logan County Register of Deeds. Said lease covered the following described lands in Logan County, Kansas, so far and only so far as it covers the NW/4 of Section 24, Township 14 South, Range 33 West and the NW/4 of Section 25, Township 14 South, Range 33 West,

and

WHEREAS, the mineral interest covered by said Lease is presently owned of record by SMOKY VALLEY GRAZING ASSOCIATION, INC., (hereinafter referred to as "Lessor"); and

WHEREAS, it is the desire of Lessor and Lessee that said Lease be modified and amended in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, of the mutual benefits and advantages to be derived therefrom by each of the parties hereto, and the further consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree that said Lease shall be, and the same is, hereby amended by adding to the following provision:

"Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 80 acres each in the event of an oil well, or into a unit or units not exceeding 320 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and

15-109-20663-00-00 918

describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."

Lessee and assigns further agree that pooling unit shall be NE/4NW/4 and the NW/4 NE/4 Section 24-14S-33W and/or SE/4NW/4 and the SW/4NE/4 Section 24-14S-33W and/or NE/4NW/4 and the NW/4NE/4 Section 25-14S-33W and/or SE/4NW/4 and the SW/4NE/4 Section 25-14S-33W, all in Logan County, Kansas.

In the event production is established on the above pooled land, the delay rental payments on the balance of the lease shall not be affected.

Pooled production shall only hold the 160 acres in the pool; it shall not hold other lands other than provided in the base lease and/or riders.

None of the other terms and provisions of said Lease are hereby changed or altered, and all of the terms and provisions hereof shall inure to the benefit and be binding upon the undersigned, and their respective successors and assigns. This Amendment may be executed in any number of counterparts, with the same effect as if all parties had executed the same copy.

EXECUTED as of the 30th day of October, 1997.

ATTEST:

SMOKY VALLEY GRAZING ASSOCIATION, INC.

*Richard Petibone*  
(Richard Petibone)

*Carl Zigelmeir*  
(Carl Zigelmeir)

ATTEST:

MULL DRILLING COMPANY, INC.

*Robert D. Swann*  
Robert D. Swann  
Assistant-Secretary

*Mark A. Shreve*  
Mark A. Shreve, President



110 919  
15-109-20663-00-00

STATE OF Kansas )  
 ) ss.  
COUNTY OF Thomas )

The foregoing instrument was acknowledged before me this 30 day of October, 1997 by Smoky Valley Grazing Association, Inc. Carl Zigelmeir, President

WITNESS my hand and official seal.

My commission expires:



Kenneth W. Hoop  
Notary Public  
Kenneth W. Hoop

STATE OF Kansas )  
 ) ss.  
COUNTY OF Sedgwick )

The foregoing instrument was acknowledged before me this 31st day of October, 1997, by Mark A. Shreve, as President of MULL DRILLING COMPANY, INC., a Kansas corporation, on behalf of the corporation.

WITNESS my hand and official seal.

My commission expires: October 14, 1998

Maria R. Olmstead  
Maria R. Olmstead, Notary Public



State of Kansas  
ss  
Logan County  
Filed For Record November 4, 1997 AD  
at 11:05 o'clock A.M. Book 110 Page 912-919  
Yerna M. Wright  
#10.8 Registrar of Deeds



MICROFILMED -  
INDEXED -