

FOR KCC USE:

15-171-20534-00-00

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 6-30-98

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

SGA? Yes. X No

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

Expected Spud Date 7 month 6 day 98 year

Spot ... East ... West

OPERATOR: License # 5135

Name: JOHN O. FARMER, INC.

Address: P.O. BOX 352

City/State/Zip: RUSSELL, KS 67665

Contact Person: Martin K. Dubois

Phone: (785) 483-3144

CONTRACTOR: License #: 9561

Name: Glen Chase Drilling

Well Drilled For: Oil, Gas, OWWO, Seismic, etc. Well Class: Infield, Pool Ext, Wildcat, etc. Type Equipment: Mud Rotary, Air Rotary, Cable, etc.

If OWWO: old well information as follows: Operator, Well Name, Comp. Date

Directional, Deviated or Horizontal wellbore? If yes, true vertical depth: Bottom Hole Location

RECEIVED KANSAS CORP COM 6-16-98

IS SECTION X REGULAR IRREGULAR?

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

County: Scott

Lease Name: Janssen Well #: CH-5

Field Name: (wildcat)

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): NA

Nearest lease or unit boundary: 660'

Ground Surface Elevation: 2975 (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: 200'

Depth to bottom of usable water: 1340' PERMIAN

Surface Pipe by Alternate: 1 2 X 3

Length of Surface Pipe/Planned to be set: 20' min

Length of Conductor pipe required: NA

Projected Total Depth: 850'

Formation at Total Depth: Ft. Hays

Water Source for Drilling Operations: well X farm pond other

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;
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: 6-15-98 Signature of Operator or Agent: Title: Exploration Manager

FOR KCC USE: API # 15- 71-205340000 Conductor pipe required NONE feet Minimum surface pipe required 20 feet per Alt. X X (ALT 3) Approved by: JK 6-25-98 This authorization expires: 12-25-98 (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: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

76 16 32W

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 _____
 LEASE _____
 WELL NUMBER _____
 FIELD _____

LOCATION OF WELL: COUNTY _____
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION _____ TWP _____ RG _____

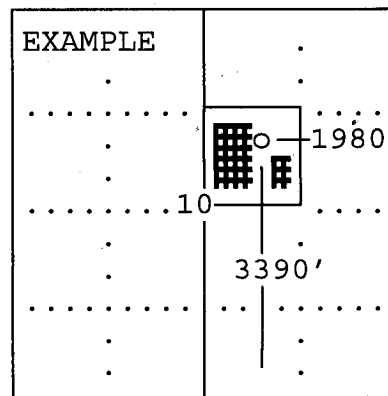
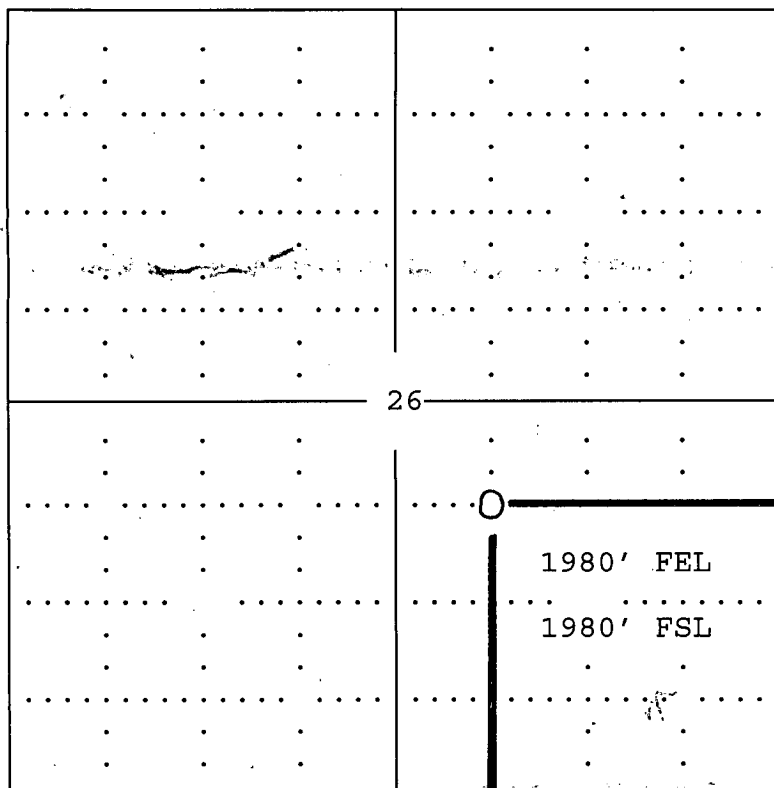
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____ - _____ - _____

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.



Kansas Corporation Commission

Bill Graves, Governor John Wine, Chair Susan M. Seltsam, Commissioner Cynthia L. Claus, Commissioner

DATE: June 23, 1998

TO: John O. Farmer, Inc.
P.O. Box 352, Russell, KS 67665
Attn: Martin K. Dubois

FROM: M. L. Korphage

RE: Exception to Minimum Surface Casing Requirements for the
Janssen CH-5, 1980' FSL & 1980' FEL, Sec 26-16S-32W, Scott County.

Dear Mr. Dubois,

John O. Farmer, Inc. requests an exception to minimum Surface Casing Requirements for the above described well. The Alternate 1 completion requirement for this location would be a minimum of 1,600 feet of surface casing, and the Alternate 2 requirement would be a minimum of 220 feet of surface casing.

The Janssen CH-5 is a proposed core hole with a projected total depth of 850 feet. John O. Farmer, Inc. plans on drilling a 6 1/4 inch hole to 25 feet, then running 20 feet of 5 1/2 casing and circulating cement to surface. A 5 inch hole will be drilled to total depth, at that time an electric log will be run, then the well will be plugged from bottom to top with a 60/40 pozmix cement, and 6% gel. John O. Farmer seeks the absolute minimum surface casing required for this core hole since it will be plugged upon reaching the total depth.

After review of this matter by technical staff, an exception to Minimum Surface Casing Requirements is granted with the following stipulations;

1. John O. Farmer, Inc. will set and cement a minimum of 20' of 5 1/2 inch O.D. surface casing to locate the hole.
2. The core hole will be plugged from the total depth to surface.
3. John O. Farmer, Inc. will notify the District 1 office prior to spudding and again prior to plugging of the core hole.

Very Sincerely Yours,

A handwritten signature in cursive script that reads "M. L. Korphage".

M. L. Korphage
Director

cc: David P. Williams *GDW*
Steve Durrant - District #1

JOHN O. FARMER, INC.

OIL PRODUCERS AND DRILLING CONTRACTORS

BOX 352

RUSSELL, KANSAS 67665

913-483-3144

(FAX) 913-483-6020

RECEIVED
KANSAS CORP COMM

1998 JUN 16 12:12

June 15, 1998

Mr. M. L. Korphage
Director Oil & Gas Conservation Division
Kansas State Corporation Commission
130 South Market, Room 2078
Wichita, KS 67202-3802

Re: Exception Request to Reg. 82-3-106
Surface casing requirements for
shallow test wells
16S-32W, Scott County, Kansas

Dear Mr. Korphage:

Attached are Notice of Intention to Drill applications for two shallow test wells, Janssen CH-5 and Branter CH-6, located in Sections 26 and 35, respectively, 16S-32W, Scott County, Kansas. John O. Farmer, Inc., respectfully requests that the KCC waive the requirement for surface casing under both Alternate 1 and Alternate 2 plans and grant us permission to use twenty (20) feet of surface casing as an Alternate 3 requirement.

Our plan is the same as was approved by your office for four (4) shallow test wells that we drilled in August and September of 1998.

1. Drill a 6 1/4 inch hole to approximately twenty-five feet to accommodate surface casing.
2. Drill a 5 inch hole to a depth of approximately 800 feet, or twenty feet past the Base of Fort Hays using fresh water and gel.
3. Run electric log.
4. Plug from total depth to surface with 60/40 poz mix , 6% gel, circulated.
5. Run in twenty (20) feet of 5 1/2 inch surface casing, set three feet below the surface. Circulate cement through the casing to surface.

We feel that this plan adequately protects all fresh and usable water. The only aquifer anticipated is a 50-60 foot Ogallala section whose base is found at approximately 180 feet. A driller's log of an earlier shallow test is attached. The Ogallala aquifer was at 125-170 in this hole. Niobrara Chalk and Shaley Chalk was encountered at 180 feet to 710 feet. The Ft. Hays was found at 710-771 feet. No aquifer was found below 170 feet.

Page Two

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KANSAS CORP COM 11

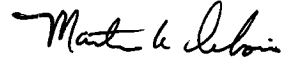
1998 JUN 16 1:12

On these two new test holes we will use the same drilling contractor, Glenn Chase Drilling (lic. #9561) and Allied will be the cementers. The locations will be accurately surveyed and the wells plugged from top to bottom before moving to another location.

For your reference, I have attached a copy of a letter granting us a similar exception on one of the test holes that we drilled in the fall of 1998. We appreciate your consideration of this request at your earliest convenience. We would like to start these shallow test holes on July 6.

Sincerely,

JOHN O. FARMER, INC.



Martin K. Dubois

MKD/ljb

Enclosures

GLEN CHASE DRILLING
CHANUTE, KS 66720

P.O. BOX 286
316/431-2283

DRILLERS TEST LOG

RECEIVED
KANSAS CORP COMM

CUSTOMER NAME John O. Farmer, Inc. DATE 1998 JUN 16 P 1:12
September 13, 1997
STREET ADDRESS P.O. Box 352 TEST # CH-1 E. LOG Yes
CITY & STATE Russell, Kansas 67665 DRILLER Glen Chase
COUNTY Scott LOCATION NE SW SW 27-16S-32W

Footage	Description of Strata
0-20	Brown clay
20-50	Brown clay, calachie
50-65	Sand/gravel
65-90	Brown clay
90-100	Cemented sandstone, calachie
100-125	Brown clay, calachie
125-170	Sand, gravel
170-180	Yellow/red clay
180-710	Shale
710-725	Chalk soft
725-771	Lime firm
771-780	Blue shale