

EFFECTIVE DATE: 9-21-97

State of Kansas

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

SEAT... Yes... No

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

FORM MUST BE TYPED  
FORM MUST BE SIGNED  
ALL BLANKS MUST BE FILLED

Expected Spud Date: September 19 1997  
month day year

Spot SE SE SW Sec 8 Twp 15 S Rg 41 East West

OPERATOR: License # 03581  
Name: Red Oak Energy, Inc. - Petex, Inc.  
Address: 200 W. Douglas, Suite 510  
City/State/Zip: Wichita, KS 67202  
Contact Person: Kevin C. Davis  
Phone: (316) 265-9925

330 feet from South / North line of Section  
2336 feet from East / West line of Section  
IS SECTION REGULAR X IRREGULAR?

CONTRACTOR: License #: 30606  
Name: Murfin Drilling Company, Inc.

(NOTE: Locate well on the Section Plat on Reverse Side)  
County: Wallace  
Lease Name: Okeson Well #: 1-8  
Field Name: Wildcat

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

Is this a Prorated/Spaced Field? yes X no  
Target Formation(s): Morrow  
Nearest lease or unit boundary: 330'  
Ground Surface Elevation: 3815 feet MSL

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

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: 300  
Depth to bottom of usable water: 1800 2000  
Surface Pipe by Alternate: 1 X 2  
Length of Surface Pipe Planned to be set: 360'

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

Length of Conductor pipe required: N/A  
Projected Total Depth: 5250'  
Formation at Total Depth: Mississippian  
Water Source for Drilling Operations:  
X well ... farm pond ... other

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; 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: Sept. 3, 1997 Signature of Operator or Agent: [Signature] Title: President

FOR KCC USE:  
API # 15- 199-202560000  
Conductor pipe required NONE feet  
Minimum surface pipe required 350 feet per Alt. X(2)  
Approved by: JK9-16-97  
This authorization expires: 3-16-98  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: Agent:

RECEIVED  
CONSERVATION DIVISION  
SEP 19 1997  
09-30-97

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.

15  
410

**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 Red Oak Energy, Inc.  
 LEASE Okeson  
 WELL NUMBER 1-8  
 FIELD Wildcat

LOCATION OF WELL: COUNTY Wallace  
330 feet from south/north line of section  
2336 feet from east/west line of section  
 SECTION 8 TWP 15 RG 41

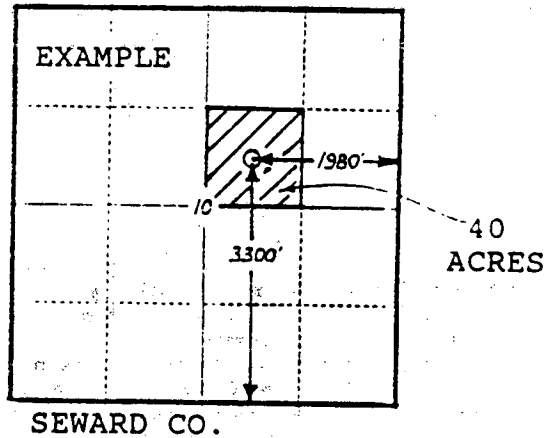
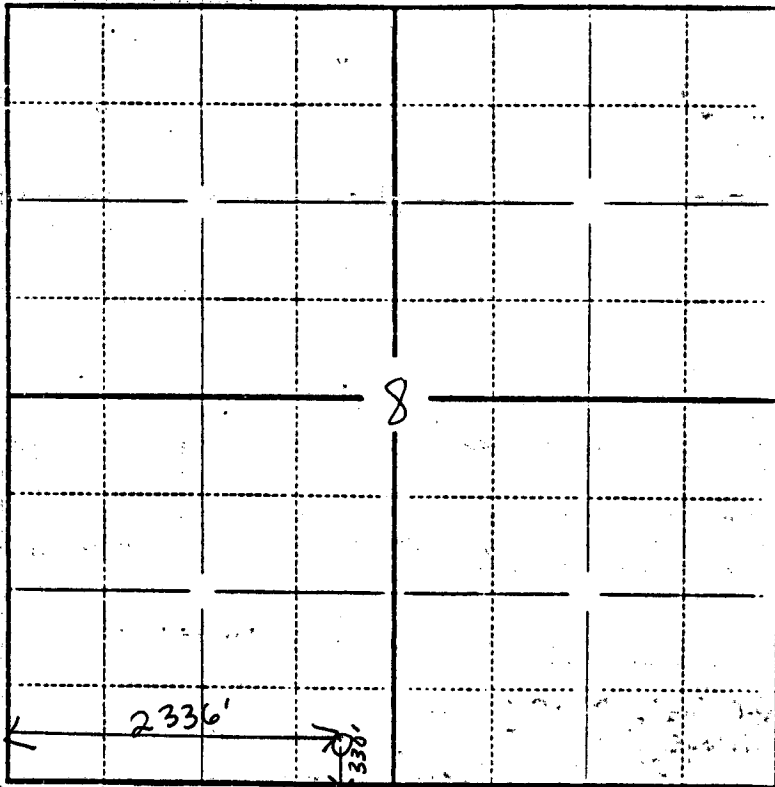
NUMBER OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_  
 QTR/QTR/QTR OF ACREAGE \_\_\_\_\_

IS SECTION \_\_\_\_\_ REGULAR or X IRREGULAR  
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used: \_\_\_\_\_ NE \_\_\_\_\_ NW \_\_\_\_\_ SE X 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.)



**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 lines; and
- 3) the distance to the nearest lease or unit boundary line.