

FOR KCC USE:

EXPIRED PERMIT

15-199-20270-0000

FORM C-1 7/91

EFFECTIVE DATE: 1-13-98

DISTRICT # 4

SEAP: YES X NO

State of Kansas

NOTICE OF INTENTION TO DRILL

CORRECTION

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

Expected Spud Date January 28 1998
Month day year

Spot APPROX SE SE NE sec 36 Twp 15 S Rg 4E East West

OPERATOR: License # 30425
Name: DNR Oil & Gas Inc.
Address: 655 Broadway - Suite 525
City/State/Zip: Denver, Colorado 80203
Contact Person: Charles R. Davis
Phone: (303) 825-8956

CONTRACTOR: License # 30606
Name: Murfin Drilling Company

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

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

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

2308 feet from South / North line of Section
\* 220 feet from East / West line of Section
IS SECTION REGULAR X IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Wallace
Lease Name: Nickelson Well #: 4-36
Field Name: S.E., Mt. Sunflower
Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Mississippian Morrow
Nearest lease or unit boundary: 330
Ground Surface Elevation: 3790 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: 260 +/- 270
Depth to bottom of usable water: 1600 +/-
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 340 +/-
Length of Conductor pipe required: N/A
Projected Total Depth: 5300 +/-
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
... well ... farm pond X ... other

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

\* LEASE COVERS THE NW/4 OF SECTION 31-15S-41W.

\* WAS: 41W 15: 42W

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 IS COMPLETED, 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: 1/5/98 Signature of Operator or Agent: Charles R. Davis Title: President

FOR KCC USE:
API # 15- 199-20270 0000
Conductor pipe required NONE feet
Minimum surface pipe required 320 feet per Alt. X(2)
Approved by: JK 1-8-98 / COR 1-9-98 JK
This authorization expires: 7-8-98
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

REMEMBER TO:

- File Drill Plat Application (form COP-1) with Intent to Drill;
- File Completion Form ACU-1 within 120 days of spud date;
- File acreage attribution plat according to field protection 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.

RECEIVED
STATE CORPORATION COMMISSION

JAN 8 1998
01-08-98

36

15

42

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 \_\_\_\_\_

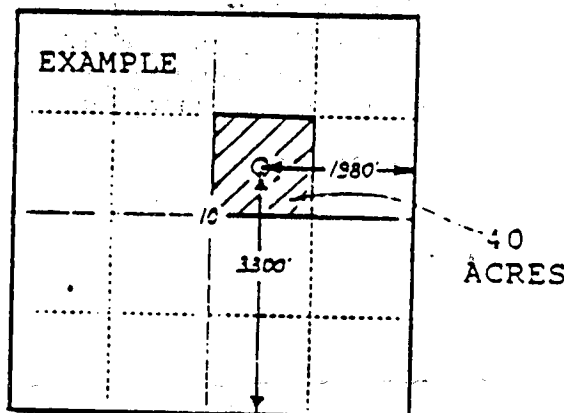
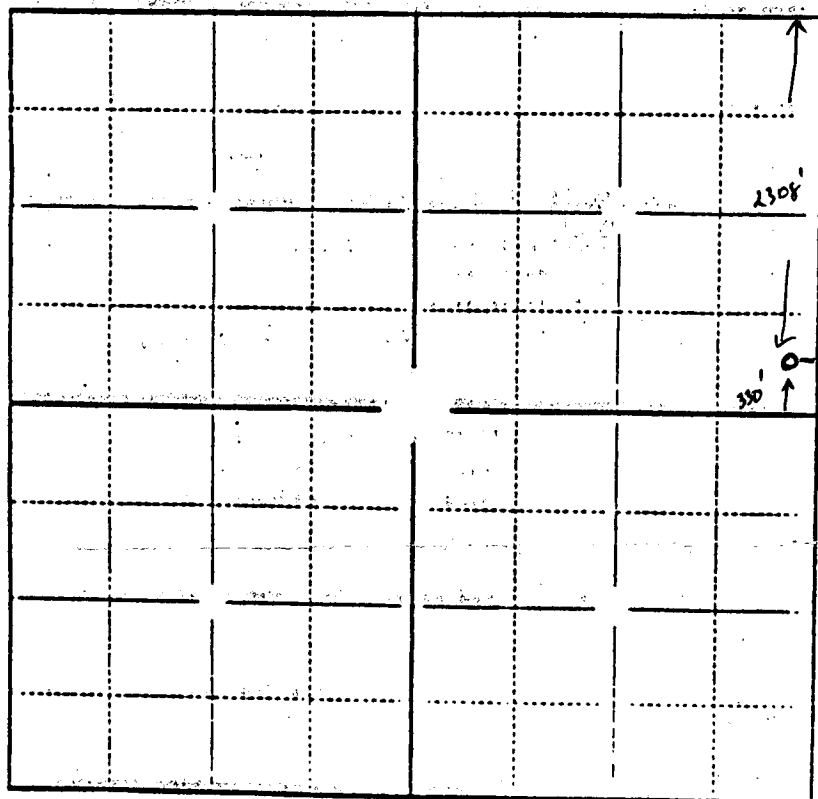
NUMBER OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_  
 QTR/QTR/QTR OF ACREAGE \_\_\_\_\_

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.

Lease covers NE/4 of 36-15S-42W and also NW/4 of Sec. 31-15S-42W. Copy of Lease provided with application for Nickelson #3-36 well in E/2 E/2 NE/4, API #199-202660000 approved December 12, 1997.

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.



# DNR Oil & Gas Inc.

655 Broadway #525, Denver, CO 80203  
(303) 825-8956 • (303) 825-2968 (FAX)

15-199-20270-00-00

January 5, 1998

Kansas Corporation Commission  
130 S. Market - Room 2078  
Wichita, Kansas 67202-3802

Attention: Jeff Klock

Re: Nickelson #4-36  
Sec. 36-15S-42W  
Wallace County, Kansas

Dear Mr. Klock:

Enclosed please find a "Notice of Intent to Drill" for the well referenced above. Please note that the "NICKELSON" LEASE covers the NE/4 of Sec. 36-15S-42W and the NW/4 of Sec. 31-15S-41W, and the referenced well is staked only 220' FEL of Sec. 36. This was true of the Nickelson #3-36 well approved December 12, 1997 and copies of the Nickelson Lease were provided to the "KCC" with that application.

Therefore, the closest lease line is 330' to the south for this location.

Please approve this "intent" at your earliest convenience and return to DNR.

Your assistance in this matter is appreciated. If you have any questions or need additional information, please contact me at your convenience.

Sincerely,

Charles B. Davis  
President

cbd/bms

enclosures

RECEIVED  
STATE CORPORATION COMMISSION

JAN 8 1998

CONSERVATION DIVISION  
1998