

FOR KCC USE:

EFFECTIVE DATE: 10-21-91
DISTRICT # 4
SEAT... Yes No

15-199-20203-0000 SKM
FORM C-1 7/91
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date 10 24 91
month day year

Spot SE/4 NE/4 SE/4 Sec 26.. Twp 15.. S, Rg .42. East West

OPERATOR: License # 6593
Name: Coastal Oil & Gas Corporation
Address: 211 N. Robinson, Suite 1700
City/State/Zip: Oklahoma City, OK 73102
Contact Person: John D. Perry
Phone: (405) 239-7031

1650 feet from South / North line of Section
330 feet from East / West line of Section
IS SECTION REGULAR IRREGULAR?

CONTRACTOR: License #: To be determined
Name:

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Wallace
Lease Name: Nickelson Well #: 1-26
Field Name: Mt. Sunflower

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

Is this a Prorated/Spaced Field? ... yes no
Target Formation(s): Morrow
Nearest lease or unit boundary: 330
Ground Surface Elevation: 3826 feet MSL

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

Water well within one-quarter mile: ... yes no
Public water supply well within one mile: ... yes no
Depth to bottom of fresh water: 800
Depth to bottom of usable water: 1725

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

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 300*
Length of Conductor pipe required: None
Projected Total Depth: 5,300'
Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
... well farm pond ... other
DUR Permit #: Farm Pond
Will Cores Be Taken?: yes ... no
If yes, proposed zone: Morrow
*DV tool to be set @ 1860'

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: 10/15/91 Signature of Operator or Agent: [Signature] Title: Dist. Oper. Supt.

FOR KCC USE:
API # 15- 199-20203-00-00
Conductor pipe required 1100 feet
Minimum surface pipe required 275 feet per Alt. # (2)
Approved by: MLD 10-16-91
This authorization expires: 4-16-92
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 16 1991
CONSERVATION DIVISION
WICHITA, KS
96 15 4920

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.

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 Coastal Oil & Gas Corporation
 LEASE Nickelson
 WELL NUMBER 1-26
 FIELD Mt. Sunflower

LOCATION OF WELL: COUNTY Wallace
 _____ 1650 feet from south/~~north~~ line of section
 _____ 330 feet from east/~~west~~ line of section
 SECTION 26 TWP 15S RG 42W

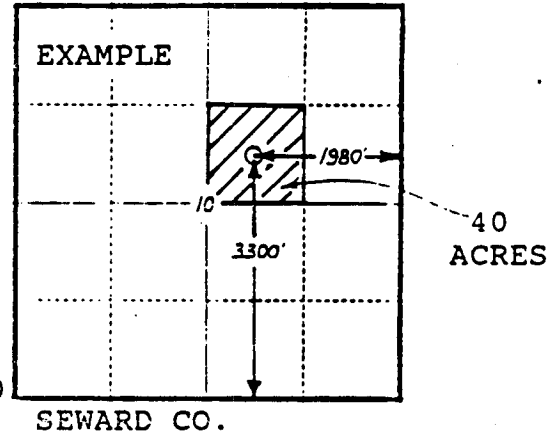
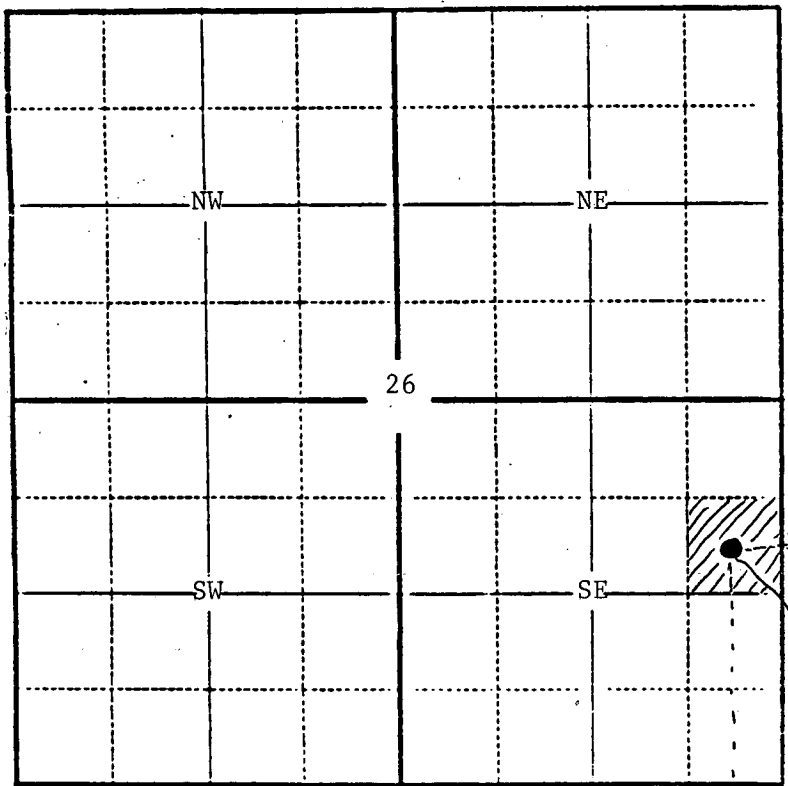
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE SE/4-NE/4-SE/4

IS SECTION X 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.)



Wallace Co. 1650

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.