

EFFECTIVE DATE: 5-9-91

State of Kansas

FAV

NOTICE OF INTENTION TO DRILL 15-171-20429-0000 ALL BLANKS MUST BE FILLED

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

Expected Spud Date May 12, 1991
month day year

SE SE SW Sec 15 Twp 19 S, Rg 34 X East X West

OPERATOR: License # 4981
Name: Cholla Resources, Inc.
Address: 1641 California St. #300
City/State/Zip: Denver, CO 80202
Contact Person: William Goff
Phone: (303)-623-4565

330 feet from South line of Section
2970 feet from East line of Section

(Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License #: 8241
Name: Emphasis Oil Operations

County: Scott

Lease Name: Josephine Well #: 2-15

Field Name: Unnamed

Is this a Prorated Field? yes X no

Target Formation(s): Mississippi

Nearest lease or unit boundary: 1320

Ground Surface Elevation: 3055 feet MSL

Domestic well within 330 feet: yes X no

Municipal well within one mile: yes X no

Depth to bottom of fresh water: 175

Depth to bottom of usable water: 1250

Surface Pipe by Alternate: 1 X 2

Length of Surface Pipe Planned to be set: 240'

Length of Conductor pipe required: N/A

Projected Total Depth: 5200'

Formation at Total Depth: Mississippi

Water Source for Drilling Operations:

well X farm pond other

DWR Permit #: _____

Will Cores Be Taken? yes X no

If yes, proposed zone: _____

Well Drilled For: Well Class: Type Equipment:

X Oil Inj X Infield X Mud Rotary
Gas Storage Pool Ext. Air Rotary
OWMO Disposal Wildcat Cable
Seismic; # of Holes

If OWMO: old well information as follows:

Operator: _____

Well Name: _____

Comp. Date: _____ Old Total Depth _____

Directional, Deviated or Horizontal wellbore? yes X no

If yes, total depth location: _____

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. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above 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;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. 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: 5-7-91 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE:

API # 15- 171-20 429-00-00

Conductor pipe required None feet

Minimum surface pipe required 200 feet per Alt. (2)

Approved by [Signature] 5-9-91

EFFECTIVE DATE: 5-14-91

This authorization expires: 11-9-91

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

RECEIVED
STATE CORPORATION COMMISSION

MAY 09 1991

CONSERVATION DIVISION
Wichita, Kansas

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.

15 19 34W

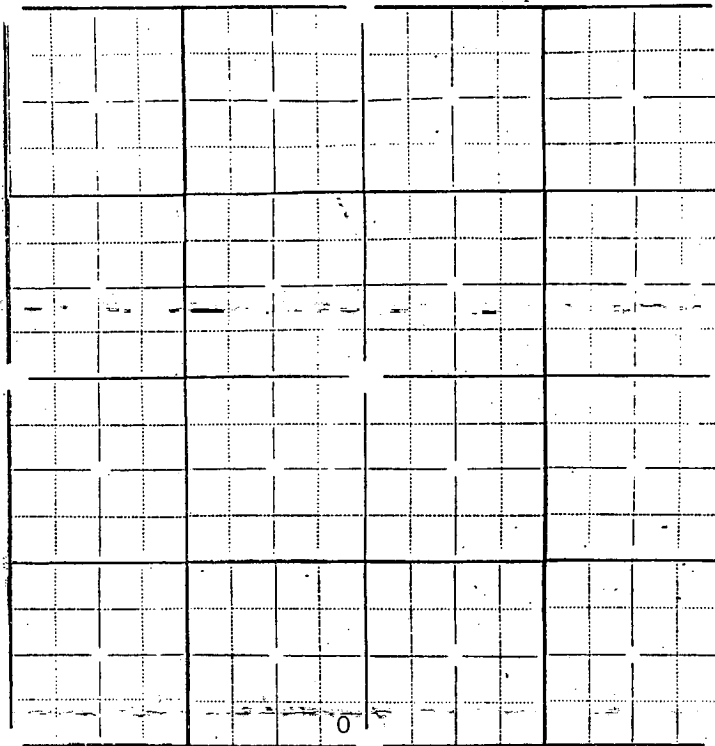
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

**State Corporation Commission, Conservation Division
200 Colorado Derby Bldg. Wichita, Kansas 67202**

OPERATOR Cholla Resources, Inc. LOCATION OF WELL:
 LEASE Josephine 330 feet north of SE corner
 WELL NUMBER 2-15 2970 feet west of SE corner
 FIELD _____ Sec. 15 T 19S R 34 E/W
 COUNTY Scott
 NO. OF ACRES ATTRIBUTABLE TO WELL 10 IS SECTION x REGULAR _____ IRREGULAR?
 DESCRIPTION OF ACREAGE SW/4 IF IRREGULAR, LOCATE WELL FROM NEAREST
 CORNER BOUNDARY.

NOTE: If plat depicted is insufficient for your circumstances, you may attach your own scaled or surveyed plat.

PLAT



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 partial sections, 4 sections, 16 sections, etc.;
- 2) the well's location relative to the location of other wells producing from the same 'common' source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;
- 3) the distance of the proposed drilling location from the section's east and south lines; and
- 4) the distance to the nearest lease or unit boundary line.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent _____

Date 5-7-91

Title Agent